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County of Contra Costa, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 1998

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Kenneth J. Corcoran
Auditor-Controller

County of Contra Costa, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 1998

Kenneth J. Corcoran, Auditor-Controller

COUNTY OF CONTRA COSTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

INTRODUCTORY SECTION

Contra Costa County

Office of
COUNTY AUDITOR-CONTROLLER

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Kenneth J. Corcoran
Auditor-Controller

Stephen J. Ybarra
Assistant Auditor-Controller

December 4, 1998

Members of the Board of Supervisors and
Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa for the fiscal year of 1997-98 is presented in compliance with Section 25253 of the Government Code of the State of California. This report was prepared by the Office of the County Auditor-Controller, which is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, are accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds and account groups of the County and its financial transactions. The CAFR is organized into three sections:

- The Introductory Section is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.

- The Financial Section includes the audited general-purpose financial statements, its notes thereto, supporting statements necessary to fairly present the financial position and the results of operations of the County in conformity with generally accepted accounting principles and the independent auditor's report on the general-purpose financial statements.

- The Statistical Section contains comprehensive statistical data for the County relating to its physical, economic, social and political characteristics.

The County reporting entity includes all the funds and account groups of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would make the enclosed financial statements misleading or incomplete. By this definition, the reporting entity includes 46 component units: the Contra Costa County Public Facilities Corporation, the County of Contra Costa Public Financing Authority, the Housing Authority of Contra Costa County (included as of and for the year ended March 31, 1998), the Contra Costa County Redevelopment Agency, the Contra Costa County Employees' Retirement Association (included as of and for the year ended December 31, 1997) and 41 County Special Districts and Service Areas.

The reporting entity excludes certain separate legal entities which may have "Contra Costa" in their title, or which are required to keep their funds in the County Treasury or receive their tax apportionment from the County. Examples are school districts, community college district, cities, city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. These entities are autonomous organizations which handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying general purpose financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The County provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning and general administrative services.

ECONOMIC CONDITIONS AND OUTLOOK

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the State. It is one of nine counties in the San Francisco-Oakland Bay Area. The County covers about 733 square miles; the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial and light industrial.

The County has a general law form of government. A five member Board of Supervisors, each elected to four year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

Population and job growth projections remain positive. As of January 1, 1998, the County's population was estimated at 900,688, an increase of 13.0 percent since 1990. Further confirmation comes from a study prepared by the Association of Bay Area Governments, which projects an 22.1 percent increase in population and a 40.0 percent increase in jobs between 2000 and 2020.

The State's economy is robust. This is supported by current unemployment statistics, which indicate the State's overall jobless rate fell to 6.1 percent in June 1998 from 6.3 percent one year earlier.

The County's June 1998 jobless rate of 3.7 percent was down from 4.6 percent one year earlier. Consistent with historical performance, it was also significantly below the State-wide average of 6.1 percent. The County's economy is very diverse; major industries include petroleum refining, steel manufacturing, chemicals, electronic equipment, paper products, services and food processing. Unlike many counties in the State, Contra Costa has not been directly affected by military base closings. The Concord Naval Weapons Station, the only military installation in the County, is not slated for closure. The combination of the above factors contributes to Contra Costa's consistent ranking as a leading county in both per capita and household income.

MAJOR INITIATIVES AND SERVICE EFFORTS AND ACCOMPLISHMENTS

The following are some of the County's major initiatives and service efforts and accomplishments.

- The County's new hospital, the Contra Costa Regional Medical Center, opened on schedule and within budget in January 1998. It is smaller and more efficient than the old facility. The County was approved to operate the Local Initiative under the State's Medi-Cal Two Plan Model Plan. Under this program, County residents eligible for Medi-Cal are required to enroll in one of two health maintenance organizations; either the "Local Initiative" operated by the County, or a private health maintenance organization (HMO) plan selected by the State. Approximately 90 percent (40,000) of Medi-Cal eligible residents selected the County's Contra Costa Health Plan. This should both improve patient care and control County costs by encouraging preventative care and early treatment.

- The County continues to enhance its service to children and families. To help document, coordinate and measure this service, the County has published the 1998-99 Children & Family Services Budget. It identifies 99 County programs with expenditures of $469.9 million that serve children and families. $56 million of the expenditures are financed by County general revenues, which are used to leverage Federal, State and other revenues. In addition to measuring the amount of money allocated to each program, it also provides outcome data on the success of the programs. To serve as a benchmark to measure the County's success in improving the conditions for all children and to help build a community commitment to do so, the County also published the 1998 Children's Report Card. The Children's Report Card provides data on 24 indicators that measure how well children and youth are doing in school, the security of their family lives and the safety of their communities.

- The extensive automation project of the District Attorney's Family Support Division was completed. This should result increased collections of child support as well as enhanced public access to information on cases.

- The Department of Information Technology (DoIT) has been very active, both directly and indirectly, in improving the efficiency and effectiveness of County operations and services.

  The County has completed its central computing complex (mainframe and large mini computer hardware and software) Year 2000 remediation process, six months ahead of the original schedule, and very close to the July 1, 1998 date predicted. As a part of this process, the County has increased its computing power by about 350%. This new technology will also allow for the potential migration of internet, intranet, and e-mail services to the mainframe platform, which is proving much more stable than the server-based fleet. There is now no major component in DoIT's technology base greater than three years' old. The County's Wide Area Network (WAN) is also scheduled for complete Year 2000 compliance by early 1999, and we are now concentrating on imbedded chip technologies, business recovery/resumption, and disaster recovery planning at the global and departmental levels. The County's Department of Emergency Services is planning to test potential Year 2000 related issues during 1999.

  The County's pilot and roll-out of network computers has been a major success during 1997. Selected by the IBM Corporation to be the West Coast public sector pilot organization, the County was awarded a server, multiple workstations, and initial training at no cost to pilot this new technology. While the cost of the hardware and software is comparable to traditional client-server technology, administration, upgrade and recovery costs are expected to drop some 30-35 percent during the next two years.

The County's WAN continues to grow at almost exponential rates. Network use by County departments has grown almost 1,000 percent in the past year. The County's 1997 decision to centrally fund the WAN has paid handsome dividends, but it is still a challenge to maintain the rapid pace of technology change and deployment. This is specifically difficult in light of the national Information Technology (IT) labor shortage, which is exacerbated in the Bay Area because of our strong technology presence.

The DoIT's high school and college internship program, developed in late 1996 because of the above staffing problems, is one of the first of its kind in the County. The County has received a great deal of positive media attention for the program, including a CNN news piece, which ran world wide in June 1998. The program, which is in partnership with the County, Antioch Unified School District, and the Cisco Systems Corporation, provides academic and "hands on" internships for local high school students in the area of information technology. The program has allowed the County to continue its growth in the IT arena, saved approximately $250,000 in annual wages and benefits, and provides promising young people real world experience.

The County out-sourced its IT training and education program in January 1998. Although the County had an excellent internal program, moving the program to the private sector gives County employees the same access to computer training and education, with a cost reduction of approximately $250,000, which departments can use to fund other activities.

The County's Information Security Administrator has been spearheading a new County-wide security program, which has a representative from every County Department as a member of the Information Security Advisory Committee. This committee will be developing business and disaster recover plans for all County departments, with respect to the Year 2000 issue, and other potential events (such as earthquakes). It will also be recommending a policy regarding internet/intranet use and security.

The County's Human Resources and Payroll systems were launched in 1998. When fully implemented, they will ease the processing of human resources payroll information for the County. As an example, one electronic form will replace approximately 30 paper/manual forms, and will allow each County department to track its own human resources transactions throughout an entire process. The payroll function, which was batch based, is now on-line, which will greatly streamline the function for County departments.

- The Office of the Sheriff applied for and received a $2.4 million federal grant for upgrades to the Dispatch Center, computer-aided dispatch system and records management system. This project also creates an automated report writing system that will greatly enhance services to the public and other agencies dependent upon timely access to reports. The department expects the upgrades to speed up report writing substantially, freeing officers' time for other duties with an emphasis on community-oriented policing activities.

  The Office of the Sheriff initiated a project to upgrade the Jail Management System. Eventually, the changes will support the development of a Countywide arrest history program that will make local criminal records available, on demand, to any law enforcement officer in the County, significantly increasing both officer safety and investigative efforts.

  Through a U.S. Department of Energy grant, the Office of the Sheriff has acquired and is equipping a mobile communications vehicle. This will allow on-site dispatch and communications support during major incidents and provide a short-term, secondary dispatch center in the event the main center goes off-line.

The Office of the Sheriff has absorbed the County Office of Emergency Services, and has used its own "bench strength" to increase staffing for this critical function. This action will ensure an increased level of emergency preparedness by Contra Costa County in the event of a natural disaster, such as floods or earthquakes, hazardous materials spills, riots or other critical incidents which threaten people in the community.

- The Library's Personal Access System, which allows cardholders to search the Library catalog and online databases from their home, school or office computer twenty-four hours a day, seven days a week, is now available on the World Wide Web. The Library's web site provides information on Library activities and programs as well as links to other Internet sites selected by Library staff for the quality of the information they provide, including a extensive list of excellent resources for children using the Internet.

  The Library introduced several new online databases, replacing or adding to databases that had previously only been available at the Central Library. The Social Issues Research Services (SIRS) provides full-text articles and in-depth information on such frequently researched topics as global warming, gun control, drug addiction, etc. Additional online databases, the Contemporary Authors and Contemporary Literacy Criticism Select are offered in partnership with the Contra Costa Community College District, providing information on authors and their works.

- In 1996, the Federal Government passed H.R. 3734, the Personal Responsibility and Work Opportunity Act of 1996. This bill defined what states are required to do in regards to welfare reform if they want to continue receiving Federal funding. It also established a new funding stream in the form of block grants called TANF - Temporary Assistance for Needy Families. On August 11, 1997, the Governor signed Assembly Bill 1542 which implemented welfare reform in California. The new program is called CALWORKS and replaces the Aid to Families with Dependent Children and Greater Avenues to Independence programs and is focused on employment. Some of the features of the new law are designed to implement Federal welfare reform requirements such as lifetime limits on aid and work participation rates rules. Other features are designed to help participants avoid aid altogether through "diversion" and to transition off aid easily through the creation of a new child care system and the formation of job retention functions. The County has formulated its plan and is currently implementing numerous employment and training services and support activities including transportation, child care, mental health and drug/alcohol services. It is expected that the combination of service opportunities and a robust economy will result in fewer persons relying on welfare payments as their primary means of support.

FINANCIAL INFORMATION

County management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse, and that accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The objective of the County's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. Budgetary control is maintained at the object level for all annually budgeted funds; however, the legal level of control is at the department level. Using the County's automated accounting system, the Auditor-Controller restricts each department's expenditures to the amounts appropriated by the Board of Supervisors for the year. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. No department is permitted to spend more than its available appropriations. Any appropriations remaining in the department at the end of the fiscal year automatically lapse and are transferred to fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year. An encumbrance accounting system is used to facilitate effective budgetary control. An encumbrance reserves a portion of an appropriation at the time a commitment is made to acquire goods or services. Open encumbrances are reported as reservations of fund balances at June 30, 1998, and are re-appropriated as part of the following year's budget.

General Governmental Functions

The general governmental functions are contained in the General, Special Revenue, Debt Service and Capital Projects Funds. Included in these Funds are the special districts governed by the Board of Supervisors and the County's component units.

Revenues for County governmental functions totaled $872 million in 1997-98, a decrease of 0.1 percent from 1996-97. The amount of revenues from various sources and the changes compared to the prior year are shown in the following tabulation (in thousands):

Revenue Source	Amount	Percent of Total	Increase (Decrease) From 1996 - 97	Percent Change
Taxes	$ 179,331	20.6%	$ (5,474)	(3.0)%
Licenses, permits and franchise fees	14,194	1.6	(71)	(0.5)
Fines, forfeitures and penalties	16,249	1.9	(1,094)	(6.3)
Use of money and property	42,168	4.8	6,711	18.9
Intergovernmental	471,208	53.9	1,951	0.4
Charges for services	130,468	14.9	3,260	2.6
Other revenue	19,844	2.3	(5,741)	(22.4)
Total	$ 873,462	100.0%	$ (458)	(0.1)

Tax revenue decreased 3.0 percent compared to the prior year, primarily from decreased Fire District assessments. The Fire District assessments were decreased when the Moraga and Orinda Fire Districts became independent from the County as of July 1, 1997.

Fines, forfeitures and penalties revenue decreased 6.3 percent compared to the prior year, primarily due to a lower transfer from the Tax Losses Reserve Fund.

Use of money and property revenue increased 18.9 percent compared to the prior year. Special Revenue Funds received increased gasoline tax revenues and also repayments of flood zone loans, resulting in larger average cash balances. These additional amounts were invested, resulting in increased interest earnings.

Charges for services increased 2.6 percent compared to the prior year. There was increased use of mental health screening, diagnosis and treatment services. There was also an increase in building maintenance space cost revenues associated with the construction of the new hospital.

Other revenues decreased 22.4 percent compared to the prior year, due primarily to the prior year recording of $2,681,000 proceeds from a prior period bond sale. In 1996-97, the County was reimbursed $2,840,000 for the revenue that Public Works expended for the Trans Sea Breeze Slide repair and $840,000 was transferred from the 2 Percent Automation Fund for the Court's Civil System. Also, in 1996-97, there was the sale of 1950 Parkside for $632,000.

Expenditures for County governmental purposes totaled $866 million in 1997-98, an increase of 2.7 percent compared to 1996-97. Changes in levels of expenditures for major functions of the County compared to the prior year are shown in the following tabulation (in thousands):

Function	Amount	Percent of Total	Increase (Decrease) From 1996-97	Percent Change
General government	$ 85,786	9.7%	$ 6,591	8.3%
Public protection	266,707	30.0	(5,708)	(2.1)
Health and sanitation	147,867	16.6	15,435	11.7
Public assistance	268,633	30.2	(3,530)	(1.3)
Education	11,774	1.3	335	2.9
Public ways and facilities	33,071	3.7	505	1.6
Recreation and culture	484	0.1	(566)	(53.9)
Debt service	64,302	7.2	9,237	16.8
Capital outlay	11,302	1.3	1,513	15.5
Total	$ 889,926	100.0%	$ 23,812	2.7

General government expenditures increased 8.3 percent compared to the prior year. The primary factors were election year printing costs, purchase of vehicles and increased rent expenses.

The public protection expenditures decreased 2.1 percent compared to the prior year. Judicial expenditures in this category decreased due to the consolidation of the municipal and superior courts and the assumption of responsibility for court operation by the State effective January 1, 1998. This more than offset a $7,200,000 increase in police protection expenditures as well as increases in other areas of public protection expenditures.

Health and sanitation expenditures increased 11.7 percent compared to the prior year. This was primarily due expenditures related to increased Federal and State grants for mental health, public health and Private Industry Council programs

Public assistance expenditures decreased by 1.3 percent compared to the prior year. The current year realized a decrease in public assistance clients and corresponding monthly payments. This downward trend continues from the two previous years.

Education expenditures increased by 2.9 percent compared to the prior year. This was primarily due to employees receiving a cost of living salary increase.

Public ways and facilities expenditures increased by 1.6 percent compared to the prior year. This was primarily due to winter storm.

Recreation and culture expenditures decreased by 53.9 percent compared to the prior year. This was due to completion of most of the Livorna Park project in the prior year.

Debt service expenditures increased by 16.8 percent compared to the prior year. With the availability of favorable interest rates, additional debt was incurred to finance various remodeling and construction projects.

Capital outlay expenditures increased 15.5 percent compared to the prior year primarily due to the refurbishment of a building for the Public Defender's Office and a remodel of the Sheriff's Dispatch Center.

Enterprise Operations

The County Hospital had retained earnings of $28,597,000 and the Health Maintenance Organization had retained earnings of $3,325,000, as of June 30, 1998. These amounts were after General Fund contributions of $4,981,000 and $8,684,000, respectively. The Major Risk Medical Insurance Enterprise Fund had retained earnings of $174,000. The Airport Enterprise Fund had a retained deficit of $741,000 due to an accumulation of annual operating losses, including depreciation. This deficit should be eliminated as rents are received from anticipated fixed base operators leasing space at the Byron Airport and contractual rent increases at the Buchanan Airport. The Employee Fitness Center Enterprise Fund had a retained deficit of $364,000. The Regency Hills Enterprise Fund had a retained deficit of $430,000 which will be eliminated with future revenues under Federal and State programs.

Pension Trust Fund Operations

The Employees' Retirement Association adopted Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. In coordination, the County adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* effective in 1995-96. Pension investments are reported at fair value. Total Association assets were $2,518,848,000 at December 31, 1997, an increase of $385,080,000 compared to 1996. Net appreciation in the fair value of pension investments accounted for $326,504,000 of this increase. The Employees' Retirement Association had net assets held in trust for pension benefits at December 31, 1997, of $2,348,623,000.

Debt Administration

The County finances its cash requirements prior to collection of taxes by short-term borrowing. The 1997-98 Tax and Revenue Anticipation Notes of $130 million received ratings of MIG1 from Moody's Investors Service and SP1+ from Standard and Poor's Corporation. These are the highest ratings for this type of borrowing.

The County has capital lease obligations under lease/purchase agreements for various County buildings and other property. Past agreements have been made principally with the Contra Costa County Public Facilities Corporation, a non-profit public benefit corporation which assists the County in financing public buildings and facilities. Beginning in 1997-98, most new agreements have been and will be made with the County of Contra Costa Public Financing Authority, a joint powers authority consisting of the County and the Redevelopment Agency. Total outstanding obligations of these financing agencies at June 30, 1998, were $272,233,000.

Cash Management

Cash temporarily idle during the year was invested in accordance with California Government Code Sections 53600 (et seq.) which allow investment maximums of 40 percent in bankers' acceptances, 30 percent in negotiable certificates of deposit, and up to 30 percent in commercial paper. There is no limit on investments in collateralized certificates of deposit and U.S. Government-issues. The County Treasurer continues to have a more restrictive investment policy than required by law. The Treasurer's investment policy was approved by the Board of Supervisors. In accordance with Government Code Sections 27130-27137, an investment oversight committee has reviewed the quarterly investment reports prepared by the Treasurer. The average yield on investments for the fiscal year ended June 30, 1998, was 5.61 percent.

Risk Management

The County is self-insured for workers' compensation, general and automobile liability, medical malpractice, dental, management long-term disability and unemployment insurance. The County maintains excess insurance policies to cover workers' compensation claims from $750,000 to $10 million, and general and automobile liability claims from $1.5 million to $10 million ($75 million per occurrence for airport catastrophic public liability losses). In addition, the County maintains up to $550 million "All Risk" coverage (including flood insurance) with a $50,000 deductible and $325 million earthquake insurance coverage with commercial insurance carriers on all locations.

The County's Risk Management office administers claims for the various programs, provides loss prevention services and minimizes risks through various risk control strategies.

Court Operations

Assembly Bill 233 enacted the Lockyer-Isenberg Trial Court Funding Act of 1997 which provides for the state assumption of trial court operation costs. The new law transferred the fiscal and administrative control of trial court operations from the County to the State on January 1, 1998. Accordingly, the County ceased reporting Court financial activity in the Courts and Criminal Justice Special Revenue Fund on December 31, 1997.

OTHER INFORMATION

Independent Audit

For over 50 years the policy of the County has been to require an annual audit of the financial statements of the County by independent certified public accountants. The Board of Supervisors selected the firm of Macias, Gini & Company LLP to perform the 1997-98 audit.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its 1996-97 Comprehensive Annual Financial Report. This was the sixteenth consecutive fiscal year the County has received this award.

In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

Kenneth J. Corcoran

Kenneth J. Corcoran
Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 1998

ELECTED OFFICIALS

Supervisor, District 1	Jim Rogers
Supervisor, District 2	Gayle B. Uilkema
Supervisor, District 3	Donna Gerber
Supervisor, District 4	Mark De Saulnier
Supervisor, District 5	Joe Canciamilla
Assessor	Gus Kramer
Auditor-Controller	Kenneth J. Corcoran
Clerk-Recorder	Stephen L. Weir
District Attorney-Public Administrator	Gary T. Yancey
Sheriff-Coroner	Warren E. Rupf
Treasurer-Tax Collector	Alfred P. Lomeli

APPOINTED OFFICIALS

County Administrator	Philip J. Batchelor
County Counsel	Victor J. Westman
County Librarian	Anne Marie Gold
County Probation Officer	Terrence Starr
Director of Animal Services	Michael G. Ross
Director of Building Inspection	Carlos Baltodano
Director of Community Development	Dennis Barry
Director of Community Services	Tony Colon
Director of Cooperative Extension	Susan G. Laughlin
Director of General Services	Barton J. Gilbert
Director of Health Services	William Walker MD
Director of Human Resources	Leslie T. Knight
Director of Information Technology	Steven Steinbrecher
Executive Director of Private Industry Council	Arthur C. Miner
Director of Public Works	J. Michael Walford
County Welfare Director	John Cullen
Agricultural Commissioner-Director of Weights and Measures	Edward P. Meyer
Public Defender	Charles H. James
Veterans' Services Officer	Gary D. Villalba
Chief, Bethel Island Fire Protection District	David Wahl
Chief, Contra Costa Fire Protection District	Keith Richter
Chief, Crockett-Carquinez Fire Protection District	Jerry Littleton, Jr.
Chief, East Diablo Fire Protection District	Paul Hein

AFFILIATED ORGANIZATIONS

Administrator, Contra Costa County Employees' Retirement Association	Patricia Wiegert
Executive Director, Housing Authority of the County of Contra Costa (Acting)	Robert McEwan
President, Contra Costa County Public Facilities Corporation	John E. Whalen

Organizational Chart of County Government

BOARD OF SUPERVISORS (E)

COUNTY ADMINISTRATOR

JUSTICE SYSTEMS PROGRAMS

- DISTRICT ATTORNEY (E)
  - Family Support
  - Public Administrator
- GRAND JURY
- PROBATION
- PUBLIC DEFENDER
- SHERIFF-CORONER (E)
  - Court Security
  - Emergency Services
  - Institutions

GENERAL GOVERNMENT

- AGRICULTURE-WEIGHTS AND MEASURES
- ANIMAL SERVICES
- ASSESSOR (E)
- AUDITOR-CONTROLLER (E)
- COUNTY ADMINISTRATOR
  - Affirmative Action
  - Clerk of the Board
  - Human Resources
  - Information Technology
  - Revenue Collections
  - Risk Management
- COUNTY CLERK-RECORDER (E)
  - Elections
- COUNTY COUNSEL
- GENERAL SERVICES
  - Building and Grounds
  - Central Services
  - Communications
  - Fleet Services
  - General Property
  - Purchasing
  - Workfare Programs
- TREASURER-TAX COLLECTOR (E)

HUMAN SERVICES

- COMMUNITY SERVICES
  - Child Development
  - Head Start
- COOPERATIVE EXTENSION
- HEALTH SERVICES
  - Alcohol-Drug Abuse
  - California Children's Services
  - Health Plan
  - Hospital & Clinics
  - Mental Health
  - Public Health
- PRIVATE INDUSTRY COUNCIL
- SOCIAL SERVICES
  - Office on Aging
- VETERANS' SERVICES

GROWTH MANAGEMENT

- BUILDING INSPECTION
  - Housing Rehabilitation
  - Land Information Systems
- COMMUNITY DEVELOPMENT
  - Comprehensive Planning
  - Economic Development
    - Redevelopment Agency
  - Land Development
  - Transportation Planning
- PUBLIC WORKS
  - Airport
  - Flood Control
  - Roads

SPECIAL DISTRICTS AND AUTHORITIES

- AMBULANCE
- FIRE PROTECTION
- FLOOD CONTROL AND DRAINAGE
- LIBRARY
- LIGHTING & LANDSCAPE
- POLICE
- RECREATION & PARK
- SANITATION
- STREETS & ROADS

AFFILIATED ORGANIZATIONS

- EMPLOYEES' RETIREMENT ASSOCIATION
- HOUSING AUTHORITY (1)
- PUBLIC FACILITIES CORPORATION
- PUBLIC FINANCING AUTHORITY

(E = Elected)

1. Housing Authority Board of Commissioners is the Board of Supervisors

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Contra Costa County, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Douglas R Ellsworth
President

Jeffrey L. Esser
Executive Director

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FINANCIAL SECTION

Macias, Gini & Company LLP
Certified Public Accountants

Partners
Kenneth A. Macias
Ernest J. Gini
Kevin J. O'Connell

Mt. Diablo Plaza
2175 N. California Boulevard
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www.maciasgini.com

The Honorable Board of Supervisors
County of Contra Costa
Martinez, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general-purpose financial statements of the County of Contra Costa, California (County), as of and for the year ended June 30, 1998. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The County has included such disclosures in Note 21. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the County's disclosures with respect to the year 2000 issue made in Note 21. Further, we do not provide assurance that the County is or will be year 2000 ready, that the County's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the County does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the County, as of June 30, 1998 and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As further described in Note 1 to the general-purpose financial statements, the County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 1998 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The statistical section listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion thereon.

MACIAS, GINI & COMPANY LLP

Macias, Gini & Company LLP
Certified Public Accountants

Walnut Creek, California
December 4, 1998

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS*

JUNE 30, 1998

(In Thousands)

	Governmental Fund Types			
Assets and Other Debits	General	Special Revenue	Debt Service	Capital Projects
Cash and investments	$ 122,777	97,956	30,832	23,304
Accounts receivable and accrued revenue	69,898	15,643	2,573	37
Inventories	1,662			
Due from other funds	129,892	30,968	52	416
Taxes receivable				
Advances to other funds	138	13,997		
Notes receivable		2,442		
Prepaid items and deposits	1,405	334	1,873	
Land held for sale		1,739		1,849
Fixed assets, net				
Amount available in debt service funds				
Amount to be provided for retirement of long-term obligations				
Total Assets and Other Debits	$ 325,772	163,079	35,330	25,606
Liabilities, Equity and Other Credits				
Liabilities:				
Warrants outstanding	$			
Short term notes	130,000			
Accounts payable and accrued liabilities	38,463	13,099	922	139
Employee benefits payable				
Due to other funds	60,157	34,251	1,256	1,180
Welfare program advances	7,891			
Capital lease obligations				
Unapportioned taxes				
Tax loss guarantees				
Due to other agencies				
Certificates of participation, net				
Advances from other funds		2,807		230
Deferred revenue and credits	12,301	6,983		
Deferred compensation				
Notes payable				
Pension and other bonds payable				
Special assessment debt with government commitment				
Other non - current liabilities				
Total Liabilities	248,812	57,140	2,178	1,549
Equity and Other Credits:				
Contributed capital				
Investment in general fixed assets				
Retained earnings:				
Reserved for debt service				
Unreserved				
Fund balances:				
Reserved	21,833	24,453	33,152	79
Unreserved:				
Designated	9,446	4,134		21,201
Undesignated	45,681	77,352		2,777
Total Equity and Other Credits	76,960	105,939	33,152	24,057
Total Liabilities, Equity and Other Credits	$ 325,772	163,079	35,330	25,606

* Trust funds are reported in the Combined Statement of Net Assets - Pension and Investment Trust Funds.

See accompanying notes to general-purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		(Memorandum Only) Totals
Enterprise	Internal Service	Agency	General Fixed Assets	General Long - Term Obligations	
78,796	75,472	300,386			729,523
38,361	884	21,241			148,637
848					2,510
22,308	3,971	17,962			205,569
		94,416			94,416
		85			14,220
					2,442
3,039					6,651
					3,588
144,310			573,216		717,526
				31,279	31,279
				518,929	518,929
287,662	80,327	434,090	573,216	550,208	2,475,290
		22,986			22,986
					130,000
22,788	73,353	7,869			156,633
4,871				22,936	27,807
28,701	1,191	81,809			208,545
					7,891
7,421				8,985	16,406
		59,003			59,003
		19,509			19,509
		71,333			71,333
128,177				126,893	255,070
				11,183	14,220
33,895					53,179
		171,581			171,581
1,012				2,125	3,137
				352,965	352,965
				25,121	25,121
1,031					1,031
227,896	74,544	434,090		550,208	1,596,417
29,205					29,205
			573,216		573,216
22,535					22,535
8,026	5,783				13,809
					79,517
					34,781
					125,810
59,766	5,783		573,216		878,873
287,662	80,327	434,090	573,216	550,208	2,475,290

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 1998

(In Thousands)

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only) Totals
Revenues:					
Taxes	$ 101,370	69,026	6,064	2,871	179,331
Licenses, permits and franchise fees	6,476	7,718			14,194
Fines, forfeitures and penalties	12,725	3,524			16,249
Use of money and property	13,459	8,675	18,626	1,408	42,168
Intergovernmental	378,383	91,270	420	1,135	471,208
Charges for services	107,530	22,938			130,468
Other revenue	15,083	4,660		101	19,844
Total Revenues	635,026	207,811	25,110	5,515	873,462
Expenditures:					
Current:					
General government	83,847	1,939			85,786
Public protection	168,054	98,653			266,707
Health and sanitation	138,241	9,626			147,867
Public assistance	213,246	55,387			268,633
Education	145	11,629			11,774
Public ways and facilities	6,965	26,106			33,071
Recreation and culture		484			484
Debt Service:					
Principal		1,375	22,051	160	23,586
Interest	4,302	1,665	34,747	2	40,716
Capital outlay	2,947	3,298	1,495	3,562	11,302
Total Expenditures	617,747	210,162	58,293	3,724	889,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,279	(2,351)	(33,183)	1,791	(16,464)
Other Financing Sources (Uses):					
Operating transfers in	31,318	8,464	31,493		71,275
Operating transfers out	(42,005)	(2,947)		(2,903)	(47,855)
Advances from other funds		1,185		2	1,187
Proceeds from refunding bonds			66,913		66,913
Payment to refunded bond escrow agent			(46,257)		(46,257)
Capital lease financing	2,955	960			3,915
Total Other Financing Sources (Uses)	(7,732)	7,662	52,149	(2,901)	49,178
Excess (Deficiency) of Revenues and Other FinancingSources Over Expenditures and OtherFinancing Uses	9,547	5,311	18,966	(1,110)	32,714
Fund Balances at Beginning of Year, as Previously Reported	68,185	103,619	16,718	22,635	211,157
Adjustments to beginning fund balance		(351)			(351)
Fund Balances at Beginning of Year, as Restated	68,185	103,268	16,718	22,635	210,806
Residual equity transfer in		772		2,532	3,304
Residual equity transfer out	(772)	(3,412)	(2,532)		(6,716)
Fund Balances at End of Year	$ 76,960	105,939	33,152	24,057	240,108

See accompanying notes to general-purpose financial statements.

COUNTY OF CONTRA COSTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE AND CERTAIN DEBT SERVICE AND CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 1998

(In Thousands)

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	$ 96,936	101,370	4,434
Licenses, permits and franchise fees	7,321	6,476	(845)
Fines, forfeitures and penalties	10,852	12,725	1,873
Use of money and property	14,141	13,459	(682)
Intergovernmental	393,530	378,383	(15,147)
Charges for services	112,718	107,530	(5,188)
Other revenue	16,568	15,083	(1,485)
Total Revenues	652,066	635,026	(17,040)
Expenditures:			
Current:			
General government	109,319	83,847	25,472
Public protection	175,283	168,054	7,229
Health and sanitation	140,674	138,241	2,433
Public assistance	239,646	213,246	26,400
Education	153	145	8
Public ways and facilities	10,592	6,965	3,627
Recreation and culture	1		1
Debt service:			
Principal			
Interest	6,085	4,302	1,783
Capital outlay	2,947	2,947	
Total Expenditures	684,700	617,747	66,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,634)	17,279	49,913
Other Financing Sources (Uses):			
Operating transfers in	31,314	31,318	4
Operating transfers out	(42,734)	(42,005)	729
Advances from other funds			
Capital lease financing		2,955	2,955
Total Other Financing Sources (Uses)	(11,420)	(7,732)	3,688
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(44,054)	9,547	53,601
Fund Balances (Deficits) at Beginning of Year, as Previously Reported	68,185	68,185	
Adjustments to beginning fund balance			
Fund Balances (Deficits) at Beginning of Year, as Restated	68,185	68,185	
Residual equity transfer in			
Residual equity transfer out		(772)	(772)
Fund Balances at End of Year	$ 24,131	76,960	52,829

See accompanying notes to general-purpose financial statements.

Special Revenue Funds			Certain Debt Service Funds			Certain Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
69,896	69,026	(870)	2,735	2,446	(289)	2,787	2,871	84
6,210	7,718	1,508						
3,112	3,524	412						
6,014	8,675	2,661	1,064	1,331	267	530	1,354	824
108,551	91,270	(17,281)	409	420	11	1,313	1,135	(178)
25,176	22,938	(2,238)				155		(155)
11,404	4,660	(6,744)				14,703	101	(14,602)
230,363	207,811	(22,552)	4,208	4,197	(11)	19,488	5,461	(14,027)
3,422	1,939	1,483						
141,636	98,653	42,983						
12,118	9,626	2,492						
64,811	55,387	9,424						
12,819	11,629	1,190						
57,457	26,106	31,351						
2,057	484	1,573						
666	1,375	(709)	7,924	7,921	3	160	160	
1,585	1,665	(80)	24,450	23,884	566		2	(2)
3,419	3,298	121	136	5	131	23,197	3,541	19,656
299,990	210,162	89,828	32,510	31,810	700	23,357	3,703	19,654
(69,627)	(2,351)	67,276	(28,302)	(27,613)	689	(3,869)	1,758	5,627
8,602	8,464	(138)	27,379	30,819	3,440			
(2,947)	(2,947)					(2,903)	(2,903)	
1,185	1,185						2	2
960	960							
7,800	7,662	(138)	27,379	30,819	3,440	(2,903)	(2,901)	2
(61,827)	5,311	67,138	(923)	3,206	4,129	(6,772)	(1,143)	5,629
103,619	103,619		1,175	1,175		220	21,954	21,734
	(351)	(351)						
103,619	103,268	(351)	1,175	1,175		220	21,954	21,734
	772	772						
	(3,412)	(3,412)						
41,792	105,939	64,147	252	4,381	4,129	(6,552)	20,811	27,363

COUNTY OF CONTRA COSTA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

YEAR ENDED JUNE 30, 1998

(In Thousands)

	Proprietary Fund Types		(Memorandum Only) Totals
	Enterprise	Internal Service	
Operating Revenues:			
Charges for services	$ 247,702	26,460	274,162
Intergovernmental	17,130		17,130
Total Operating Revenues	264,832	26,460	291,292
Operating Expenses:			
Salaries and employee benefits	101,609	286	101,895
Services and supplies	128,322	6,627	134,949
Other charges	7,333		7,333
Benefit and claim expense		19,726	19,726
Depreciation	4,380		4,380
Total Operating Expenses	241,644	26,639	268,283
Operating Income (Loss)	23,188	(179)	23,009
Nonoperating Revenues (Expenses):			
Investment income	19	3,679	3,698
Interest expense	(67)		(67)
Loss on disposal of fixed assets	(47)		(47)
Total Nonoperating Revenues (Expenses)	(95)	3,679	3,584
Income Before Operating Transfers	23,093	3,500	26,593
Operating transfers in	13,665	25	13,690
Operating transfers out	(37,082)	(28)	(37,110)
Net Income (Loss)	(324)	3,497	3,173
Add depreciation on contributed capital	929		929
Increase in Retained Earnings	605	3,497	4,102
Retained Earnings at Beginning of Year	29,956	2,286	32,242
Retained Earnings at End of Year	$ 30,561	5,783	36,344

See accompanying notes to general-purpose financial statements.

COUNTY OF CONTRA COSTA

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

YEAR ENDED JUNE 30, 1998

(In Thousands)

	Proprietary Fund Types		(Memorandum Only)
	Enterprise	Internal Service	Totals
Operating Income (Loss)	$ 23,188	(179)	23,009
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	4,380		4,380
Fixed assets writedown	205		205
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable and accrued revenue	(20,947)	(811)	(21,758)
Decrease (increase) in inventories	(21)		(21)
Decrease (increase) in amounts due from other funds	(3,606)	4,727	1,121
Decrease (increase) in prepaid items and deposits	103		103
Increase (decrease) in accounts payable and accrued liabilities	3,684	184	3,868
Increase (decrease) in employee benefits payable	396		396
Increase (decrease) in amounts due to other funds	8,142	(2,914)	5,228
Increase (decrease) in deferred revenue and credits	6,565		6,565
Net Cash Provided by Operating Activities	22,089	1,007	23,096
Cash Flows from Noncapital Financing Activities:			
Operating transfers in	13,665	25	13,690
Operating transfers out	(37,082)	(28)	(37,110)
Net Cash Used for Noncapital Financing Activities	(23,417)	(3)	(23,420)
Cash Flows from Capital and Related Financing Activities:			
Interest paid	(67)		(67)
Lease purchase obligation principal payment	(126)		(126)
Proceeds from issuance of bonds	3,646		3,646
Proceeds from issuance of notes	500		500
Capital contributions	66		66
Acquisitions of fixed assets	(29,240)		(29,240)
Loss on disposal of fixed assets	(47)		(47)
Net Cash Used for Capital and Related Financing Activities	(25,268)		(25,268)
Cash Flows from Investing Activities:			
Investment income	19	3,679	3,698
Net Cash Provided by Investing Activities	19	3,679	3,698
Net Increase (Decrease) in Cash and Cash Equivalents	(26,577)	4,683	(21,894)
Cash and Cash Equivalents at Beginning of Year	105,373	70,789	176,162
Cash and Cash Equivalents at End of Year	$ 78,796	75,472	154,268

See accompanying notes to general-purpose financial statements.

COUNTY OF CONTRA COSTA

COMBINED STATEMENT OF NET ASSETS - PENSION AND INVESTMENT TRUST FUNDS

JUNE 30, 1998*

(In Thousands)

Assets:		
Cash and investments (at fair value)	$	3,127,609
Interest and other receivables		12,979
Due from other funds		47,637
Prepaid expenses/deposits		85
Fixed assets, at depreciated cost		158
Total Assets	$	3,188,468
Liabilities:		
Securities lending	$	144,452
Employer contributions unearned		9,875
Retirement allowance payables		6,114
Warrants outstanding		49,596
Accounts payable		1,838
Due to other funds		44,774
Investment trades		1,278
Real property deposits		102
Unclaimed contributions		496
Contributions refundable		179
Obligations under reverse repurchase agreement		5,844
Accrued vacations and other payables		47
Total Liabilities		264,595
Net Assets Held in Trust:		
Pension benefits		2,348,623
Individually directed investment accounts		575,250
Total Net Assets Held in Trust	$	2,923,873

* Pension Trust Fund reported as of December 31, 1997.

See accompanying notes to general-purpose financial statements.

COUNTY OF CONTRA COSTA

COMBINED STATEMENT OF CHANGES IN NET ASSETS - PENSION AND INVESTMENT TRUST FUNDS

YEAR ENDED JUNE 30, 1998*

(In Thousands)

Additions:		
Employer contributions	$	36,688
Employee contributions		9,856
Contributions on pooled investments		4,002,915
Investment income		449,465
Total Additions		4,498,924
Deductions:		
Benefits paid		88,685
Refunds of contributions		1,015
Distribution from pooled investments		4,049,160
Adjustments/transfers		49
Administrative and other expenses		2,185
Prepayment discount		1,602
Total Deductions		4,142,696
Net Increase		356,228
Net Assets Held In Trust at Beginning of Year		1,985,880
Cumulative effect of the change in accounting for investments		577,731
Restatement of prior year		622
Net Assets Held In Trust at Beginning of Year, as Restated		2,564,233
Residual equity transfer in		3,412
Net Assets Held In Trust at End of Year	$	2,923,873

* Pension Trust Fund reported for Year Ended Decmber 31, 1997.
See accompanying notes to general-purpose financial statements.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa (the "County") conform to generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The County of Contra Costa is a political subdivision created by the State of California. As such, it can exercise the powers specified by the Constitution and statutes of the State. The County is governed by a five member elected Board of Supervisors. These financial statements present all the fund types and account groups of the County and its component units. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

Blended Component Units

The Housing Authority of the County of Contra Costa (the "Authority") was established to provide housing for the County's low and moderate income residents. Its board members are the same as the County Board of Supervisors. The financial activities of the Authority are reported in the Special Revenue, Debt Service and Agency Funds and the General Fixed Assets and General Long-Term Obligations Account Groups. The fiscal year of the Authority ends on March 31st and its financial activities are reported as of that date.

The Contra Costa County Redevelopment Agency (RDA) was established for the purpose of redeveloping certain areas of the County designated as project areas. Its board members are the same as the County Board of Supervisors. The financial activities of the RDA are reported in the Redevelopment Agency Special Revenue, Debt Service and Capital Projects Funds.

The Contra Costa County Public Facilities Corporation (PFC) was established to provide financing for the acquisition, construction, improvement and remodeling of public buildings and facilities for the County. The County appoints a voting majority of the governing board and is able to impose its will on the Corporation. The activities of the Corporation are reported in the Financing Agencies Debt Service Fund and the County Hospital Enterprise Fund.

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the County and the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the County and the Agency. The members of the County Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are reported in the Financing Agencies Debt Service Fund and the County Hospital Enterprise Fund.

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the County and other member agencies. The CCCERA provides services which almost exclusively benefit the County and it is reported as a Pension Trust Fund in the general-purpose financial statements.

The County has 41 agencies referred to as County Special Districts and Service Areas. Each is established by the County for the purpose of providing specific services in a defined geographic area. Their board members are the same as the County Board of Supervisors. These agencies are reported in Special Revenue Funds. These agencies and the Special Revenue Fund in which each is reported include: Fire Protection - Bethel Island Fire Protection District, Contra Costa Fire Protection District, Crockett-Carquinez Fire Protection District, East Diablo Fire Protection; Flood Control - Flood Control District, Storm Drainage District, Storm Drain Maintenance District #4 and Storm Drain District No. Z-16; Health and Sanitation - Sanitation Districts Nos. 5, 6, 15 and 19; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-8, M-16, M-17, M-20, M-23, M-25, M-26, M-27, M-28, M-29, R-4, R-7, R-8, R-9, R-10 and RD-4; Law Enforcement - Service Areas P-1, P-2, P-5 and P-6; Other Special Revenue - Contra Costa County Water Agency.

Complete financial statements for each of the individual component units may be obtained at the unit's administrative offices as follows:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

Contra Costa County Public Facilities Corporation
1220 Morello Ave., Suite 100, Martinez, CA 94553

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

Contra Costa County Redevelopment Agency
651 Pine Street, 5th Floor North Wing, Martinez, CA 94553

County Service Areas, County Auditor-Controller
625 Court Street, Room 103, Martinez, CA 94553

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221, Concord, CA 94520

B. Fund Accounting

The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the County's general government activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term obligations (Debt Service Funds). The General Fund is used to account for all activities of the County not accounted for in one of the other fund types.

Proprietary funds are used to account for activities similar to those in the private sector, where the measurement focus is upon determination of net income and capital maintenance. Goods or services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the County (Internal Service Funds).

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include the Pension and Investment Trust Funds and Agency funds. The Pension and Investment Trust Funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities generally are included on the balance sheet. Fixed assets purchased with governmental funds are recorded in the General Fixed Assets Account Group. Liabilities, which are expected to be liquidated with expendable available resources, are considered current liabilities and are recorded in the governmental fund types; remaining amounts are reported in the General Long-Term Obligations Account Group. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and the Pension and Investment Trust Funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet, for proprietary funds, or statement of net assets for Pension and Investment Trust Funds. Fund equity (i.e., net total assets) in proprietary funds is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term obligations, are recorded when the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The County considers property taxes administered under the alternate method of distribution as available (see Note 3). Unsecured property taxes, not administered under that method, are considered available if they are collected within 60 days after year-end.

Other major revenues susceptible to accrual are franchise fees, intergovernmental revenue, interest revenue and charges for services. Vehicle license fees and sales tax revenue reported to the State on behalf of the County for the period ending June 30th, are also recognized as revenues. Fines, fees and permits are not susceptible to accrual as they generally are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types and Pension and Investment Trust Funds. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

The County reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue transaction does not meet the "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the County before it has a legal claim to them, as when grant monies are received in advance of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for the deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Governmental Accounting Standards Board (GASB) Statement No. 20

The County has elected under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989. As required under GASB Statement No. 20, the County will continue to apply all applicable GASB pronouncements, as well as statements and interpretations of FASB, the Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Cash and Investments

Effective July 1, 1997, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which require governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments during the year in which the change occurred. In accordance with GASB Statement No. 31, the County has stated certain investments at fair value, and has restated net assets of the Investment Trust Fund as of July 1, 1997 to reflect the cumulative effect of the change on prior years.

Investment transactions are recorded on the trade date. Investments in nonparticipating interest-earning investment contracts (certificates of deposits and guaranteed investment contracts) are stated at cost, and all other investments are stated at fair value. Fair value is defined as the amount that the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Under GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the Pension Trust Fund reports its investments at year-end at fair value on the statement of net assets, and includes both realized and unrealized gains and losses on investments in its statement of changes in plan net assets. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals.

The public school districts, cemetery districts, pest control districts, recreation and park districts and resource conservation districts within the County are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer maintains individually directed investment accounts for these districts. The cash and investments held for these districts are included in the Investment Trust Fund.

F. Budgets and Budgetary Accounting

In accordance with the provisions of Sections 29000-29144 of the Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a budget each fiscal year after a series of Public Hearings. Budgets are adopted for the General, Special Revenue, certain required Debt Service and Capital Projects Funds on the modified accrual basis.

The results of operations as presented in the budget-to-actual comparison statements are on the generally accepted accounting principles (GAAP) basis. A reconciliation between those funds which are budgeted and those which are not follows (in thousands):

	Debt Service	Capital Projects
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (Budgeted Funds)	$ 3,206	(1,143)
Adjustment:		
Budgets not adopted for the:		
Financing Agencies	15,996	
Assessment Districts	(236)	33
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses (All Budgeted and Non-Budgeted Funds)	$ 18,966	(1,110)

Expenditures are controlled by management at the object level within departments for all adopted budgets; however, the legal level of control is at the department level. Because of the large volume of detail, the budget and actual statements contained in the Comprehensive Annual Financial Report have been aggregated by function. The County prepares a separate Final Budget document which demonstrates legal compliance with budgetary control and is made available to the public by the office of the Auditor-Controller. For fiscal year 1997-98, there were no instances in which expenditures exceeded appropriations. Any amendments of appropriations for a department, or transfers of appropriations between departments, are approved by the Board of Supervisors, as are supplemental appropriations normally financed by unanticipated revenues received during the year. Approximately $48,881,000 in supplemental appropriations were added to the budgets for all governmental fund types during the fiscal year, of which, $37,669,000 was for the General Fund. The Board has delegated authority to the County Administrator to approve transfers of appropriations between object level classifications within a department. Budgeted amounts are reported as amended. Individual amendments were not material in relation to the original appropriations. All appropriations lapse at year end.

G. Cash Flows

For the purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

I. Inventories

Inventories are valued at cost, which approximates market. Governmental Fund inventories are maintained using the weighted average method. Proprietary Fund inventories are maintained using the first-in, first-out method. The costs of Governmental Fund inventories and Proprietary Fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased.

J. Fixed Assets

Fixed assets are valued at historical cost. Contributed fixed assets are recorded at fair market value at the time received. Certain assets, for which actual costs are not available, have been valued on the basis of a professional valuation which determined their approximate historical cost.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in the governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings such as roads, bridges, streets and sidewalks, curbs and gutters, drainage systems, and lighting systems are not capitalized as these assets are immovable and of value only to the County. No depreciation has been provided on general fixed assets.

All proprietary fund fixed assets are depreciated using the straight-line method over the following estimated useful lives: buildings, 25-40 years; improvements, 10-20 years; and equipment, 3-20 years. Depreciation recognized on assets acquired or constructed through resources externally restricted for capital acquisitions is closed to the appropriate contributed capital account and reported on the operating statement as an adjustment to retained earnings.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included in the General Fixed Assets Account Group or capitalized in the proprietary funds. The capitalization threshold for permanent structures is $5,000. The capitalization threshold for equipment was increased from $1,000 to $3,000 effective July 1, 1997, except for County Hospital equipment for which the threshold was reduced to $500.

Interest is capitalized on construction in progress in the proprietary funds in accordance with Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants*. Accordingly, interest capitalized is the total interest cost from the date of the borrowing net of any allowable interest carried on temporary investments of the proceeds of those borrowings until the specified asset is ready for its intended use.

K. Vacation and Sick Leave

Under terms of union contracts, County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70 percent of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50 percent of accrued sick leave, however, the amount of sick leave payable is de minimis. Accordingly, no accrual for sick leave has been made in the accompanying financial statements. Accrued vacation at June 30, 1998, is valued at $27,849,000 which includes $22,936,000 attributable to the General and Special Revenue Funds, $4,871,000 recorded in the Enterprise Fund and $42,000 recorded in the Pension Trust Fund. Amounts attributable to the General and Special Revenue Funds are expected to be claimed in future periods and paid with future resources. Accordingly, this liability is reflected in the General Long-Term Obligations Account Group. In proprietary funds, accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the amounts reported include estimated employer liability for taxes and workers' compensation premiums.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

M. Bond and Certificate of Participation Discounts and Issuance Costs

In governmental fund types, bond and certificate of participation discounts, issuance costs and losses on defeasance are recognized in the period incurred. In proprietary fund types, these charges are deferred and amortized over the term of the issuance using the straight line method, which approximates the effective interest method.

N. Total Columns on Combined Statements

Total columns on the accompanying combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund eliminations have not been made.

2. CASH AND INVESTMENTS

The cash balances of substantially all funds except the Pension and Investment Trust Funds are maintained in the County's internal pool and invested by the County Treasurer. As permitted by the Government Code, external depositing entities direct the County Treasurer to make specific investments separate from the pool which are reported in the Investment Trust Fund. The Retirement Board directs the investment activity of the Pension Trust Fund. Income from pooled investments is allocated to the funds based on average daily balances.

Cash and investments at June 30, 1998, (December 31, 1997, for the Pension Trust Fund and March 31, 1998, for the Housing Authority) are as follows (in thousands):

	County (Including Investment Trust Fund)	Pension Trust Fund	Total
Deposits	$ 79,618	2,410	82,028
Investments	1,272,876	2,502,228	3,775,104
Total	$ 1,352,494	2,504,638	3,857,132

A. Deposits

Deposits include bank deposits at a carrying amount of $77,244,000. The balance as reported by various financial institutions was $78,435,000 and was entirely covered by depository insurance or collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institutions' trust department or agent in the County's name.

According to Government Code Section 53601, bank obligations such as Certificates of Deposit are considered investments. However, in accordance with generally accepted accounting principles, the County has classified Certificates of Deposit in the amount of $ 4,784,000 as deposits. These Certificates of Deposit are insured or collateralized with securities held by the pledging financial institutions as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institutions' trust department or agent in the County's name.

B. Investments

Statutes authorize the County to invest in obligations of the United States Treasury, Federal agencies, municipalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, reverse repurchase agreements, medium-term notes, negotiable certificates of deposits, mutual funds and investments in accordance with the statutory provisions governing the issuance of bonds.

Pension Trust Fund investments are authorized by the County Employees' Retirement Law of 1937. Statutes authorize a "prudent investor" guideline as to the form and types of investments which may be purchased.

The County's investments and those of the Pension Trust Fund are categorized separately on the following page to indicate the level of custodial credit risk assumed by each investment portfolio for their respective year-ends. Category 1 includes investments that are insured or registered, or securities held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments with the securities held by the counter-party's trust department or agent in the County's name or in the agent's nominee name with subsidiary records listing the County as the legal owner. Category 3 includes uninsured and unregistered investments, with the securities held by the counter-party or by its trust department or agent but not in the County's name. Investments not evidenced by securities that exist in physical or book form cannot be categorized.

The Local Investment Advisory Board (Board) has oversight responsibility for the State Treasurer's Local Agency Investment Fund (LAIF). The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the County's position in the pool.

Investments at fair value as of June 30, 1998, (December 31, 1997, for the Pension Trust Fund and March 31, 1998, for the Housing Authority) are shown as follows (in thousands):

	Category			Carrying Amount at Fair Value
	1	2	3	
County (Including Investment Trust Fund)				
Negotiable certificates of deposit	$ 124,813	5,000		129,813
U.S. Government securities	270,771	10,338		281,109
Commercial paper	136,700	9,000		145,700
Medium-term notes	14,205	15,025		29,230
Banker's acceptances	10,000			10,000
Repurchase agreements		187,685		187,685
Total	$ 556,489	227,048		783,537
State Treasurer's investment pool				211,877
Guaranteed investment contracts				63,478
Mutual funds				42,364
Deferred compensation				171,620
Total investments				$ 1,272,876
Pension Trust Fund				
Common & preferred stocks	$ 1,169,524			1,169,524
Corporate & government bonds	781,480			781,480
Non-cash collateral on securities lending			37,267	37,267
Alternative investments			34,933	34,933
Repurchase agreements			6,250	6,250
Total	$ 1,951,004		78,450	2,029,454
Real estate				150,361
Short-term investment pool with fiscal agent				105,763
Securities lending short-term collateral investment pool				107,185
Stocks on loan				17,665
Bonds on loan				85,915
Reverse repurchase agreement				5,885
Total investments				$ 2,502,228

C. Other Financial Instruments

In accordance with California statutes, the County may invest in a wide variety of investment instruments, including asset backed securities, such as collateralized mortgage obligations and principal-only strips, forward contracts and reverse repurchase agreements.

The Treasurer holds principal-only strip instruments for the benefit of some County school districts. Those school districts utilize the services of an independent financial advisor in determining their investment strategy.

The Employees' Retirement Association has investments with trustees who hold part of their portfolio in collateralized mortgage obligations.

The County has entered into one forward contract to obtain a fixed rate of interest on money held for future debt payments.

As of June 30, 1998 the County's proportionate share of structured notes and assets backed securities held by LAIF was $9,253,000 or 4.367 percent of the County's investment in LAIF.

The investments discussed above, which are included in the accompanying financial statements, represent four percent of total investments. The Treasurer's investment policy was approved by the Board of Supervisors. In accordance with Government Code Sections 27130-27137, an investment oversight committee reviews the quarterly investment reports prepared by the Treasurer.

D. Securities Lending by the Employees' Retirement Association (Pension Trust Fund)

The Pension Trust Fund lends U.S. Government obligations and domestic and international bonds and equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The fiscal agent does not provide any loss indemnification to the Pension Trust Fund. The fiscal agent manages the securities lending program and receives cash and securities as collateral. The collateral securities can be pledged or sold by the Pension Trust Fund without borrower default. Collateral cash and securities are pledged at 102 percent and 105 percent of the fair value of domestic securities and non-domestic securities lent, respectively. There are no restrictions on the amount of securities which can be lent at one time. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of the cash collateral. Such matching existed at year-end. As with other extensions of credit, the Pension Trust Fund may bear the risk of delay in recovery or even loss of rights in the collateral should borrowers of the securities fail financially. At year-end, the Pension Trust Fund has no credit risk exposure to borrowers.

For financial reporting purposes collateral with fiscal agents on security lending is included with cash and investments in the County's general-purpose financial statements and the offsetting liability is included with accounts payable and accrued liabilities.

3. PROPERTY TAX

The County is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the County. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales and construction and the next normal assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31st.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the State Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in trust in the Tax Losses Reserve Agency Fund. This reserve is used to offset the impact of accumulated delinquency remaining at year end. Property taxes which have been collected in advance of the levy year are reported in unapportioned taxes in the Unapportioned Taxes Agency Fund.

4. FIXED ASSETS

Following is a summary of changes in general fixed assets for the year ended June 30, 1998, (March 31, 1998, for the Housing Authority) (in thousands):

	Balance July 1, 1997	Additions	Deletions	Transfers	Balance June 30, 1998
Land	$ 36,414	526	(420)		36,520
Buildings & improvements	307,420	12,420	(1,631)		318,209
Buildings & improvements-lease purchase	130,974	8			130,982
Equipment*	82,478	12,882	(21,673)	4,258	77,945
Equipment-lease purchase	10,535	3,907	(624)	(4,258)	9,560
Total	$ 567,821	29,743	(24,348)		573,216

Enterprise Fund fixed assets at June 30, 1998, were as follows (in thousands):

	Airport	Employee Fitness Center	County Hospital	Health Maintenance Organization	Total Enterprise Funds
Land	$ 9,003		426		9,429
Buildings & improvements	27,084	54	110,970	73	138,181
Buildings & improvements - lease purchase	3,316				3,316
Equipment*	587	33	28,179	153	28,952
Equipment - lease purchase	47		317	128	492
Total	40,037	87	139,892	354	180,370
Less accumulated depreciation*	(9,320)	(50)	(26,429)	(261)	(36,060)
Net fixed assets	$ 30,717	37	113,463	93	144,310

* As indicated in Note 1.J. ,except for the County Hospital, the County increased the capitalization threshold for general fixed assets from $1,000 to $3,000. Consequently, equipment costing less than $3,000 was removed from the accounts. The book value of the equipment removed from general fixed assets was $11,647,000. The book value of the equipment removed from the Airport Enterprise Fund was $20,000 and the Health Maintenance Organization Enterprise Fund was $136,000.

5. SHORT-TERM NOTES

On June 30, 1998, the County had tax and revenue anticipation notes outstanding in the amount of $130,000,000 with interest at 4.50 percent per annum. The notes were issued July 1, 1997, and redeemed July 1, 1998. The redemption monies were from taxes and other revenues transferred to a fiscal agent during the fiscal year. Total interest incurred on these notes during 1997-98 was $5,850,000.

6. LEASE COMMITMENTS

A. Operating Leases

Total rental expense for the year ended June 30, 1998, (March 31, 1998, for Housing Authority) for all operating leases and month-to-month lease arrangements amounted to $6,283,000 for the General Fund, $1,254,000 for the Special Revenue Funds and $ 1,150,000 for the Enterprise Funds.

At June 30, 1998, (March 31, 1998, for the Housing Authority) the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30,	General Fund	Special Revenue Funds	Enterprise Funds
1999	$ 2,668	109	361
2000	2,097	87	263
2001	1,700	78	180
2002	1,432		177
2003	1,249		108
Thereafter	6,899		1,400
Total	$ 16,045	274	2,489

B. Capital Leases

The County has capital lease purchase agreements with the Contra Costa County Public Facilities Corporation, the Public Finance Authority and with other third parties. The assets acquired under these lease agreements are included in the County's General Fixed Assets Account Group and in the enterprise funds. The obligations related to these lease purchase agreements are also included in the County's General Long-Term Obligations Account Group and in the enterprise funds, and are summarized in Note 7.

7. LONG-TERM OBLIGATIONS

Following is a summary of changes in long-term obligations for the year ended June 30, 1998, (March 31, 1998, for the Housing Authority) (in thousands):

	Balance July 1, 1997	Additions	Retirements	Balance June 30, 1998
General Long-Term Obligations				
Employee benefits payable	$ 22,963		(27)	22,936
Capital lease obligations	29,039	3,915	(23,969)	8,985
Advances from other funds	10,772	1,187	(776)	11,183
Certificates of participation, net	93,290	62,128	(28,525)	126,893
Notes payable	2,940		(815)	2,125
Pension bonds payable	328,610		(6,715)	321,895
Other bonds payable	32,220		(1,150)	31,070
Special assessment debt	26,818	4,785	(6,482)	25,121
Total	$ 546,652	72,015	(68,459)	550,208
Enterprise Funds				
Employee benefits payable	$ 4,475	396		4,871
Capital lease obligations	3,877	3,646	(102)	7,421
Certificates of participation, net	127,472	705		128,177
Notes payable	536	500	(24)	1,012
Total	$ 136,360	5,247	(126)	141,481

Following is a schedule of debt payment requirements to maturity for long-term obligations, excluding advances from other funds and employee benefits payable that have indefinite maturities, outstanding at June 30, 1998, (March 31, 1998, for the Housing Authority) (in thousands):

	General Long-Term Obligations				Enterprise Funds		
Fiscal Year Ending June 30,	Capital Lease Obligation	Bonds & Notes Payable	COP Obligations	Special Assessment Debt	Notes & Lease Obligations	COP* Obligations	Total
1999	$ 2,429	33,487	13,224	3,351	4,346	10,693	67,530
2000	2,045	35,252	13,829	3,348	704	10,679	65,857
2001	1,459	36,608	13,733	3,279	783	10,679	66,541
2002	1,190	39,567	13,318	3,228	868	10,656	68,827
2003	1,087	40,346	13,048	2,910	833	10,667	68,891
2004-2008	2,308	233,046	54,699	10,742	2,243	53,155	356,193
2009-2013	459	124,878	31,670	7,111	346	53,003	217,467
Thereafter	127	22,588	53,158	4,634	43	105,269	185,819
Total	11,104	565,772	206,679	38,603	10,166	264,801	1,097,125
Less amount representing interest	(2,119)	(210,682)	(79,786)	(13,482)	(1,733)	(119,461)	(427,263)
Liability at June 30, 1998	$ 8,985	355,090	126,893	25,121	8,433	145,340	669,862

* Enterprise Certificates of Participation (COP) obligations are reported before the original issue discount of $2,164,000 and the deferred amount of refunding of $14,999,000 for a total difference of $17,163,000.

Individual issues of bonds, notes and certificates of participation payable at June 30, 1998, are as follows (in thousands):

Issue	Original Issue	Annual Installments	Final Payment	Interest Rates	Outstanding at June 30, 1998
Financing Agencies(1)					
1988 Consolidated capital projects	$ 61,690	$ 2,085-4,395	2008	7.15-7.8%	$ 31,955
1992 Consolidated capital projects	37,300	920-2,220	2019	5.5-9.5	31,610
Hospital replacement project	145,340	3,020-4,589	2022	3.75-6.0	145,340
1992 Municipal project	4,750	495-590	2002	4.9-5.5	2,180
1997-A Limited obligation bond	2,523	354-356	2001	5.45	1,943
1997 Capital projects	34,910	400-2,610	2021	3.55-5.10	34,510
1998 Lease revenue refunding bonds	24,695	330-1,745	2024	3.8-5.15	24,695
					$ 272,233
Special Revenue General Obligation Bonds (2)					
Recreation and park	4,485	370-510	2004	4.25-5.10	$ 3,125
Storm drainage	200	5	2005	4.25	35
					$ 3,160
Redevelopment Agency Notes and Bonds Payable					
1992 Tax Allocation Bond (3)	29,315	295-1,740	2023	5.25-7.02	$ 21,600
1995A Tax Allocation Bond (3)	1,645	20-115	2025	3.9-7.0	1,605
1995B Tax Allocation Bond (3)	2,735	40-200	2025	4.25-6.90	2,695
Property (2)	1,200		2002	11.0	1,200
					$ 27,100
Special Revenue Notes Payable (4)					
Sanitation District 5	75	3-8	2000	7.4	$ 22
Storm Drain 15 A	80		1998	None	22
Service Area D-2	36		1998	None	17
					$ 61
Housing Authority (at March 31, 1998) (2)					
Bonds	3,480	230	2007	3.18-5.0	$ 2,010
Pension Obligation Bonds (5)	337,365	4,920-44,560	2011	5.55-6.85	$ 321,895
General Fund Note Payable (2)					
San Ramon Valley FPD	3,100	432	2000	None	$ 864

Footnotes (1)-(5) explained on next page.

Issue	Original Issue	Annual Installments	Final Payment Date	Interest Rates	Outstanding at June 30, 1998
Special Assessment Debt (6)					
East Bates Ave. 93-1	$ 2,105	$ 140-230	2006	5.66-6.98%	$ 1,640
Hidden Pond Road 93-1	757	35-75	2009	5.88-7.20	630
Kensington 91-1	4,684	150-300	2012	5.25-6.0	3,475
Mrack Road 92-1	2,313	15-45	2013	6.4-7.9	480
Pleasant Hill 87-1	8,785	510-770	2004	6.8-7.3	4,405
Pleasant Hill BART 93-5	1,530	45-140	2014	5.44-6.93	1,395
Rancho Paraiso 93-4	5,905	225-545	2016	5.83-7.74	4,905
San Pablo Creek 91-3	540	90-95	1999	6.2-6.4	185
San Ramon Valley 93-3	2,191	265-315	2001	5.93-6.61	1,165
San Ramon 89-1	980	65-90	2004	7.55-7.85	545
Wayside Plaza 91-2	2,010	115-190	2006	7.0-7.2	1,345
Pleasant Hill BART CFD 92-1	171	2-20	2015	8.0	166
Pleasant Hill BART CFD 91-1	4,785	55-505	2016	4.2-5.1	4,785
					$ 25,121
Airport Enterprise Notes Payable (7)					
State Dept. of Transportation	558	26-53	2010	6.06	$ 512
State Dept. of Transportation	300	15-28	2015	5.08	300
State Dept. of Transportation	200	9-23	2009	5.48	200
					$ 1,012

NOTES:

(1) Debt service payments are made from lease payments by the County General, Special Revenue and Hospital Enterprise Funds to the Public Facilities Corporation and the Public Financing Authority.

(2) Debt service payments are made from restricted property taxes and other revenues recorded in the General and Debt Service Funds.

(3) Debt service payments are made from tax increment financing.

(4) Debt service payments are made from drainage fees and sanitation fees.

(5) Debt service payments are made from retirement contributions.

(6) Debt service payments are made from special assessments levied on properties in each assessment district. The County administers the assessment and repayment of these bonds. Since early redemption is allowed, there may be differences between the earnings on money received from property owners wishing to pay off their debt early and the interest obligation that accumulates on their debt between the time they submit funds to the County and the next available redemption date, as stated in the bond's Official Statement. The County has historically funded this difference, and to that extent may be obligated in some manner for this debt.

(7) Debt service payments are made from operating revenues.

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the County is in compliance with all significant limitations and restrictions.

A. Issuance of New Debt and Advance Refunding

1. Public Financing Authority

In August 1997, the Public Financing Authority issued $34,910,000 in Certificates of Participation (the "new debt") with interest rates ranging from 3.55 to 5.10 percent to advance refund $22,055,000 of 1991 Certificates of Participation (the "old debt") related to the acquisition of buildings at 40 Muir Rd., and 10, 40, and 50 Douglas Dr. The net proceeds of the new debt amounted to $34,334,000 (including accrued interest received of $91,000, and after an original issue discount of $524,000 and payment of $143,000 underwriters' discount). Of the total of the net proceeds and $2,891,000 residual cash balances related to the old debt, $22,990,000 was used to purchase securities which are held in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 Certificates. As a result, the 1991 Certificates are considered defeased and the liability for those Certificates has been removed from the General Long-Term Debt Account Group. The new debt proceeds of $10,926,000 will finance remodeling of the Sheriff's Dispatch Center and 50 Douglas Dr., construction of additional floor space at 834 Court St. and the purchase of a renovated building at 800 Ferry St. The County decreased its total debt service over the next 23 years by $4,060,000 with this advance refunding and generated an economic gain of $1,897,000.

In May 1998, the Public Financing Authority issued $24,695,000 in Lease Revenue Bonds (the "new debt") with interest rates ranging from 3.80 to 5.15 percent to advance refund $22,235,000 of 1994 Certificates of Participation (the "old debt") related to the acquisition, renovation and refurbishing of various buildings. The net proceeds of the new debt amounted to $24,572,000 (including accrued interest received of $37,000 and after payment of $160,000 of underwriting fees). Of the total of the net proceeds and $2,024,000 residual cash balances related to the old debt, $24,209,000 was used to purchase securities which are held in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 Certificates. As a result, the 1994 Certificates are considered defeased and the liability for those Certificates has been removed from the General Long-Term Debt Account Group. The County reduced its total debt service over the next 26 years by $1,145,000 with this advance refunding and generated an economic gain of $878,000.

The Public Financing Authority also issued another series of bonds in July 1997 for $2,523,000 with an interest rate of 5.45 percent annually. These bonds financed prepayment of a telecommunications equipment lease for 4 years.

2. Airport

On July 1, 1997, the County entered into the Lease Escrow and Lease and Lease-Back Agreements with Transocean Funding, Inc. (1997 Lease) to advance refund two existing Airport leases (1994 Leases), pursuant to a crossover refunding. The 1997 Lease, with an interest rate of 5.75 percent, shall be payable from annual gross revenues of the County's Airport Enterprise Fund. The 1997 Lease proceeds of $3,646,000 were used to pay lease costs of $36,000 with the remaining proceeds of $3,610,000 deposited into an escrow fund to be used to refund the 1994 Leases on May 1, 1999. Interest payments are due on November 1 and May 1 of each year. Principal is due on May 1 of each year through May 1, 2005.

3. Special Assessment Districts

The Community Facilities District (CFD) No. 1991-1 issued Special Tax Refunding Bonds with an interest rate ranging from 4.2 to 5.1 percent in May 1998 for $4,785,000 to advance refund $4,460,000 of 1991 Special Tax Bonds related to facilities improvements. The net proceeds of the new debt amounted to $4,679,000 (after payment of $106,000 of underwriting fees). Of the total of the net proceeds and $738,000 residual cash balances related to the old debt, $4,876,000 was used to purchase securities which are held in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 Certificates. The County is acting as an agent for the property owners. As a result, the 1991 Certificates are considered defeased and the liability for those Certificates has been removed from the General Long-Term Debt Account Group. The CFD reduced its total debt service over the next 19 years by $796,000 with this advance refunding and generated an economic gain of $497,000.

At June 30, 1998, the total amount of outstanding obligations considered defeased is $48,750,000.

8. INTERFUND BALANCES

Account balances at June 30, 1998, are as follows (in thousands):

	Due From Other Funds	Due to Other Funds	Advances From Other Funds	Advances to Other Funds
General Fund	$ 129,892	60,157		138
Special Revenue Funds:				
Storm Drainage	184	2,043		
Road	1,560	2,843		
Library	364	620		
Fire Protection	244	627		
Health and Sanitation	427	696		
Service Areas	566	800		664
Flood Control	456	455		10,270
Law Enforcement	1,027	3,215		
Courts & Criminal Justice	20,727	17,998		
Recorder Clerk Modernization	27	69		
Other Special Revenue	2,619	1,852		3,063
Land Development	1,665	1,737		
Redevelopment Agency	321	39	2,807	
Housing Authority	579	792		
Child Development	202	465		
Debt Service Funds:				
Recreation		27		
Pension Bond		1,228		
Assessment Districts	52			
Sanitation Bonds		1		
Capital Projects Funds:				
Assessment Districts		53		
Redevelopment Agency	414	1,127	230	
West County Jail	2			
Subtotal	$ 161,328	96,844	3,037	14,135

(continued)

	Due From Other Funds	Due to Other Funds	Advances From Other Funds	Advances to Other Funds
Balance Forward from previous page:	$ 161,328	96,844	3,037	14,135
Enterprise Funds:				
Airport	634	1,168		
Employee Fitness Center	2	409		
County Hospital	18,415	15,092		
Health Maintenance Organization	3,255	12,024		
Major Risk Medical Insurance	2	8		
Internal Service Funds:				
Self-Insurance	3,971	1,191		
Fiduciary Funds:				
Agency Funds:				
Tax Losses Reserve	2,753			
Unapportioned Taxes	893	36,721		
Other Agencies	14,316	45,088		85
Trust Funds:				
Investment Trust	45,649	44,774		
Pension Trust	1,988			
Long-Term Obligations			11,183	
Subtotal	253,206	253,319	14,220	14,220
Adjustments:				
Housing Authority reported as of March 31, 1998	(579)	(792)		
Pension Trust reported as of December 31, 1997	(100)			
Total	$ 252,527	252,527	14,220	14,220

(concluded)

9. RESERVES AND DESIGNATIONS OF FUND BALANCE

Following is a summary of reserved and designated fund balances at June 30, 1998, (in thousands):

	General Fund	Special Revenue Funds*	Debt Service Funds*	Capital Projects Funds
Reserved for:				
Encumbrances	$ 19,091	8,838		79
Inventories	1,662			
Debt service			31,279	
Advances to other funds	138	13,566		
Prepaid items and deposits**	942	310	1,873	
Land held for sale		1,739		
Total	$ 21,833	24,453	33,152	79
Designated for:				
Authorized expenditures	$ 3,151			
Future projects				21,201
Equipment replacement	6,295	4,134		
Total	$ 9,446	4,134		21,201

* Housing Authority reported as of March 31, 1998.

** Reserves are less than total prepaid items and deposits because the General Fund advanced $463,000 to sub-grantees who will use the funds for Federal programs during the first quarter of fiscal year 1998-99. As funds are spent, the County is reimbursed by the Federal government.

10. ADJUSTMENTS TO FUND EQUITY AND NET ASSET HELD IN TRUST

Adjustments to fund equity and net assets held in trust are as follows (in thousands):

		Special Revenue Funds	Trust Funds
Fund Equity and Net Assets Held in Trust at June 30, 1997	$	103,619	1,985,880
Adjustments:			
Prior Period Adjustment		(351)	622
Cumulative effect of the change in accounting for investments			577,731
Total adjustments		(351)	578,353
Adjusted Fund Equity and Net Assets Held in Trust at June 30, 1997	$	103,268	2,564,233

11. RESIDUAL EQUITY TRANSFERS

A residual equity transfer of $772,000 was made to transfer excess family support enforcement funds, restricted by statute to family support collection efforts, from the General Fund to the Law Enforcement Special Revenue Fund.

A residual equity transfer of $3,412,000 was made to transfer the funds of the Moraga and Orinda Fire Districts from the Fire Protection Special Revenue Funds to the Investment Trust Fund. The Districts consolidated and became a separate legal entity on July 1, 1997.

A residual equity transfer of $2,532,000 was made from the Assessment Districts Debt Service Fund to transfer construction fund proceeds to the Assessment Districts Capital Projects Fund

12. DEFICIT RETAINED EARNINGS

The Airport Enterprise Fund had a retained deficit of $741,000 due to an accumulation of annual operating losses, including depreciation. This deficit should be eliminated as rents are received from anticipated fixed-base operators leasing space at the new Byron Airport and contractual rent increases at the Buchanan Airport. The Employee Fitness Center Enterprise Fund had a retained deficit of $364,000. Revenues were exceeded by increased lease occupancy, maintenance and repair costs. Under the direction of the Board of Supervisors, the County is obligated to fulfill the lease agreement for the Employees Fitness Center until its expiration in the year 2000. In the interim, the Board of Supervisors has directed the County Administrator to attempt to identify parties interested in sub-leasing the facility for a health club. The Regency Hills Enterprise Fund had a $430,000 retained deficit. This Fund has been operating with contributed capital received from a special district at the time the Fund was established.

Three Internal Service Funds had retained deficits at June 30, 1998. The Workers' Compensation Insurance County General Fund had a deficit of $3,858,000, the Automotive Liability Insurance Fund had a deficit of $21,000 and the Medical Liability Insurance Fund had a deficit of $4,946,000. These Funds will have sufficient funding from investment earnings and charges to operating funds to cover disbursements as claims are paid.

13. CONTRIBUTED CAPITAL CHANGES

Changes in contributed capital of the Enterprise Funds for the year ended June 30, 1998, are as follows (in thousands):

	Airport	County Hospital	Health Maintenance Organization	Regency Hills	Total
Balance as of July 1, 1997	$ 27,766	802	1,000	500	30,068
Federal and State construction grants	66				66
Depreciation related to grants	(902)	(27)			(929)
Balance as of June 30, 1998	$ 26,930	775	1,000	500	29,205

14. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Financial data for the Enterprise Funds for the year ended June 30, 1998, are as follows (in thousands):

	Airport	Employee Fitness Center	County Hospital	Health Maintenance Organization	Major Risk Medical Insurance	Regency Hills	Total
Operating revenues	$ 2,274	101	184,156	78,197	103	1	264,832
Operating expenses (other than depreciation)	1,823	214	149,011	86,081	110	25	237,264
Depreciation	1,108	11	3,235	26			4,380
Operating income (loss)	(657)	(124)	31,910	(7,910)	(7)	(24)	23,188
Non-operating revenues, expenses, net	(67)	19	(12)	(35)			(95)
Net operating transfers	(55)		(31,873)	8,511			(23,417)
Net (loss) income	$ (779)	(105)	25	566	(7)	(24)	(324)
Current capital contributions	$ 66						66
Fixed asset acquisitions	(382)		(28,798)	(60)			(29,240)
Net working capital	3,625	(401)	78,189	5,335	174	70	86,992
Total assets	35,812	47	224,507	26,863	182	251	287,662
Capital lease obligations	7,141		208	72			7,421
Certificates of participation, net			128,177				128,177
Total equity (deficit)	26,189	(364)	29,372	4,325	174	70	59,766

The County pays a subsidy to the County Hospital and Health Maintenance Organization Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the last three years are as follows (in thousands):

Year Ended June 30,	Total Subsidy
1996	$ 12,692
1997	15,572
1998	13,665

Subsidies have declined since 1995 as certain health and welfare realignment revenues, previously recorded in the General Fund and transferred via subsidy to the Hospital and the Health Maintenance Organization, are now recorded directly to those funds as intergovernmental revenue. In 1997-98, these intergovernmental revenues were $5,710,000 for the Hospital and $11,420,000 for the Health Maintenance Organization.

15. DEFERRED COMPENSATION PLAN

The County and the Housing Authority offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their annual salary until future years. Monies in the deferred compensation plan are not available to employees until termination, retirement, death, or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County or the Housing Authority (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County or the Housing Authority's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair value of the deferred account for each participant.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the fiduciary duty of due care that would be required of an ordinary prudent investor. County management believes that it is unlikely the County will use the assets to satisfy the claims of general creditors in the future. The Housing Authority takes the same position in regards to their plan.

As of June 30, 1998, the assets of the County's plan, recorded in an agency fund at their fair value, amounted to $170,013,000. At March 31, 1998, the assets of the Housing Authority's plan, recorded in an agency fund at their fair value, amounted to $1,568,000.

In August of 1996, the Small Business Job Protection Act (the "Act") became effective and, among other provisions provides that for a Section 457 Plan to be an eligible plan under the Act, all assets and income of the plan are to be held in trust for the exclusive benefit of plan participants and their beneficiaries. Amounts deferred under plans in existence, however, do not have to be placed in trust until January 1, 1999. As of June 30, 1998, the trusts for the County's plan and the Housing Authority's plan have not yet been established.

16. MORTGAGE REVENUE BONDS

Home mortgage revenue bonds have been issued in the County's name to provide mortgage loans secured by first trust deeds on newly constructed and existing residences. The program provides low interest rate mortgage loans to persons who find it difficult to qualify for conventional mortgages at market rates.

The bonds do not constitute an indebtedness of the County. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. These bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of the County, the State, or any political subdivision thereof is obligated for the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the General Long-Term Obligations Account Group.

The total amount of mortgage revenue bonds outstanding at June 30, 1998, was $ 34,810,000.

17. RISK MANAGEMENT

The County self-insures its unemployment, dental, management long-term disability and medical liability exposures. The County is self-insured to $750,000 per occurrence for workers' compensation, and maintains $10 million of excess insurance coverage per occurrence with commercial insurance carriers. The County is self-insured to $1.5 million per occurrence on public and automobile liability (excluding the airport, which is insured for catastrophic losses by a commercial insurance carrier up to $75 million per occurrence) and maintains $10 million excess insurance coverage with commercial insurance carriers. All claims are adjusted in-house by the County, except for dental which is adjusted by outside parties.

In addition, the County maintains up to $550 million "All Risk" coverage (including flood insurance) with a $50,000 deductible, and up to $325 million earthquake insurance coverage on all locations with commercial insurance carriers.

During the past three years there have been no instances of the amount of claim settlements exceeding insurance coverage.

Internal Service Funds are used to account for the County's self-insurance activities. It is the County's policy to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the Internal Service Funds. Accrual and payment of claims are recorded in the Internal Service Funds.

The County has accrued a liability of $73.4 million at June 30, 1998, for all self-insured claims in the Internal Service Funds which includes an amount for incurred but not reported claims. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. In the opinion of the County, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes in the Funds' claims liability amount in fiscal years 1997-98 and 1996-97 were (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
1997-98	$ 73,169	19,688	(19,504)	73,353
1996-97	69,668	21,022	(17,521)	73,169

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

18. COMMITMENTS AND CONTINGENCIES

A. Grants

The County participates in a number of Federal and State grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 1998, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County believes that such disallowances, if any, would not have a material effect on the general-purpose financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the County. Most employees have a choice of participation in four medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Qual-Med, a preferred provider plan (PPO); and the Contra Costa Health Plan (CCHP), operated by the County Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230 are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the County subvents 79 percent of Kaiser and Health Net, 73 percent of Qual-Med and 98 percent of CCHP premiums for plan members. The County subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of three dental plans: a County self-funded plan administered by Delta Dental, and Safeguard A or B plans. The County's self-funded plan is an indemnity program and the Safeguard plans are prepaid programs.

The County's contribution to health and dental plans during 1997-98 for active employees was $29,041,000. The County's liability for health care benefits is limited to its annual contribution.

C. Post-Employment Benefits Other Than Pensions

In addition to providing retirement benefits as described in Note 19, retired employees are allowed to continue participation in the medical and dental plans described above. As of June 30, 1998, there were 3,477 retired employees participating in the health plans, and the County contributed $10,174,000 toward payment of the premiums. The cost of retiree health care is recognized when the County makes its contribution on a pay-as-you-go basis and is accounted for in the General Fund, Special Revenue Library and Fire District Funds, Enterprise Funds, or Fiduciary Funds as appropriate. This post-employment benefit was approved by Board of Supervisors resolution number 264 on August 22, 1961 with an effective date of October 1, 1961. To be eligible, the retiring employee must have been a member of a participating health plan for at least five consecutive years.

D. Special Assessment Debt

The County is considered to be "obligated in some manner," as defined by Governmental Accounting Standards Board Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The County is obligated to foreclose on properties for which owners have failed to pay installments of assessments as they fall due and the County may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The County's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the County's General Long-Term Obligations Account Group and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

E. Pending Legal Matters

Numerous lawsuits are pending or threatened against the County. The County has recorded actuarially determined reserves in the Internal Service Funds to adequately cover estimated potential material adverse losses at June 30, 1998.

F. Proposition 62

The California Supreme Court has upheld the constitutionality of Proposition 62, a 1986 initiative which required voter approval of all new or increased taxes. The Court's ruling may invalidate certain taxes previously collected by the County and disallow these taxes from being collected in the future. The likelihood and amount of these taxes being invalidated is currently unknown and has not been reflected in the general-purpose financial statements. Management does not believe this ruling will materially effect the County's financial position.

G. Proposition 218

Proposition 218 was approved by the voters in November 1996 and could sharply limit the County's ability to collect new taxes and fees. This measure requires a voter majority approval for all taxes used for "general government purposes" and a two-thirds voter approval for "special taxes" used for defined purposes. Proposition 218 repeals any such taxes imposed after January 1, 1995, that fail to meet these requirements. For these taxes to remain in effect, the local government must obtain voter approval by November 1998. The County collected approximately $18.6 million in fees and assessments in 1997-98 which could be subject to the provisions of Proposition 218. None of these fees and assessments are deposited in the County's General Fund. If the County is unable to continue to collect these revenues, the services and programs funded with these revenues would have to be curtailed and/or the County's General Fund might have to be used to support them. The County is unable to predict whether or not in the future it will be able to continue all of these services and programs or, if they are continued, what amounts (if any) would be used from the County's General Fund to continue to support these activities.

19. PENSION PLAN

A. Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is a cost-sharing multiple-employer defined benefit pension plan governed by the County Employees' Retirement Law of 1937 (the "1937 Act"). The plan covers substantially all of the employees of the County, its special districts, the Housing Authority and thirteen other member agencies.

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments to retirement benefits can be granted by the Retirement Board as provided by State statutes.

The CCCERA is divided into four separate benefit sections of the 1937 Act. These sections are known as General - Tier I, General - Tier II, General - Tier III and Safety. Tier I includes members not mandated to be in Tier II and reciprocal members that elect Tier I membership. Tier II includes members hired on or after August 1, 1980, by the three employers adopting this benefit provision and their members who elected to transfer from Tier I at that date. Tier III was approved by the Board of Supervisors in January 1998 and implementation will begin in October 1998. Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as designated by the Retirement Board.

Service retirement benefits are based on age, length of service and final average salary. For the Tiers I, III and Safety sections, the retirement benefit is based on an average of the 12 highest pay months, in accordance with Government Code Section 31462. For Tier II, the benefit is based on a 36 month average salary.

An initial group of 2,870 Tier II employees with five years service by October 1998 were eligible to irrevocably elect Tier III. Members eligible for Tier III are required to elect or decline enrollment. As of June 30, 1998, 2,352 employees elected Tier III. Subsequent enrollments will occur as more employees from Tier II acquire five years of service.

B. Funding Policy

Pursuant to provisions of the 1937 Act, the Retirement Board recommends the annual contribution rates for adoption by the Board of Supervisors. New contribution rates, based on the actuarial study as of January 1, 1997, became effective July 1, 1997. The contribution requirements are determined as a percentage of payroll.

The employer rates were calculated on the alternate funding method permitted by Section 31453.5 of the Government Code. The "entry age normal funding" method is used to calculate the rate required to provide all the benefits promised to a new member. Unfunded costs resulting from this calculation are amortized over 13.5 years from the January 1, 1997 valuation date.

Active plan members are required to contribute an actuarially determined percentage of their annual covered salary. The required percentage rates vary according to the benefit section and entry age of the employee. The rates in effect during fiscal year 1997-98 (based on covered payroll as of January 1, 1997) ranged from 2.6 percent to 10.5 percent of the employees' annual covered salary.

The County employer rates of contribution, calculated as a percentage of the County's covered payroll of $278,422,000 as of January 1, 1997, for fiscal year 1997-98 were:

General Members, Tier I	10.15%
General Members, Tier II	4.68
Safety Members	13.02

The following table shows the County's required contributions and the percentage contributed, for the 1997 calendar year and each of the two preceding years:

Calendar Year	Annual County Required Contribution (ARC)	Percentage Contributed by County
1995	$ 28,147,254	100
1996	31,785,744	100
1997	28,690,877	100

C. Ventura Decision

The August 14, 1997 California Supreme Court decision in Ventura County Deputy Sheriff's Association v. Board of Retirement changed a previously accepted construction of the statutory framework governing the compensation subject to inclusion in the calculation of pensions under the 1937 Act. As a result of this decision, all cash remuneration is included in the final compensation except for non-scheduled overtime and employer contributions to deferred compensation plans. The CCCERA has prospectively applied the decision beginning October 1, 1997. The issue of retroactivity has not been decided and is currently under discussion with the CCCERA's attorneys and the employers' attorneys as a result of two lawsuits against the CCCERA.

The financial impact of the Ventura decision has not yet been fully determined by the CCCERA, its attorneys and its actuaries. However, it is likely that the Ventura decision will cause a material unfunded liability.

20. MEDICARE AND MEDI-CAL PROGRAMS

The County Hospital provides services to eligible patients under Medi-Cal and Medicare programs. For the year ended June 30, 1998, the Medi-Cal program represented 44 percent and the Medicare program represented approximately 18 percent of the Hospital's gross patient service revenues. Medi-Cal inpatient services are reimbursed on a per diem basis, outpatient services under a cost-reimbursement methodology. Medicare inpatient services are reimbursed based upon pre-established rates for diagnostic-related groups. Outpatient services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. Final reimbursement is determined as a result of audits by the intermediary of annual cost reports submitted by the Hospital. Reports on the results of such audits have been received through June 30, 1996 and 1997 for Medicare and Medi-Cal, respectively. Adjustments as a result of such audits are recorded in the year the amount can be determined. The Hospital Enterprise Fund accounts receivable of $28,227,000 is reported net of contractual and other allowances of $35,645,000.

21. YEAR 2000 ISSUE (UNAUDITED)

Many computer hardware and software systems were designed to record the date year using only the one's and ten's digits and do not record the century. Thus, the year 1900 and the year 2000 are considered by these systems to be the same year. On January 1, 2000, these systems that use the date in their operation or calculations will fail to function or will provide erroneous or unreliable results which could cause a disruption of government services. In addition to equipment normally considered or associated with computers, many other types of equipment contain and depend upon microprocessors for their function. A few examples of this (Imbedded Chip) technology include building access, climate control and security systems, irrigation systems, communications systems and medical equipment.

Since 1995, the County has been vigorously pursuing a program to identify and fix all affected systems and equipment. Contra Costa's multifaceted program includes remediation in the data centers, wide are network, local area networks, imbedded chips, legal due diligence, business and disaster resumption and recovery planning, and community awareness. In addition to a large commitment of County staff time and the cost of replacement equipment and software, as of June 30, 1998, the County had contracts with vendors totaling $622,000 to assist in the Year 2000 remediation project.

Data center systems will be remediated, tested, and placed back into production January 1, 1999. This allows for one full year of sub-module, module, unit, summary, and global system and infrastructure operations well before January 1, 2000. This includes routines that will bridge both two and four digit date data between the county's compliant systems and non-compliant systems. Wide Area Network infrastructure components are scheduled for complete remediation by February of 1999, and will be in full production for nine months prior to January 1, 2000.

The table below summarizes the status of the County's Year 2000 remediation project as of June 30, 1998. The areas being addressed are on the left and are defined below. Across the top are the four stages of the Year 2000 remediation process as defined in the GASB Technical Bulletin No. 98-1.

	Awareness	Assessment	Remediation	Validation & Testing
County Data Center	Complete	Complete	Complete	In Progress
WAN/External Interfaces	Complete	Complete	In Progress	In Progress
Health Services Data Center	Complete	Complete	In Progress	In Progress
LAN/Desktop Computers	Complete	In Progress	In Progress	In Progress
Imbedded Chips	Complete	Complete	In Progress	In Progress
Due Diligence	Complete	Complete	In Progress	Planned
Community Awareness	Complete	Complete	In Progress	Planned

County Data Center: Mainframe and minicomputer systems that are maintained at the Department of Information Technology's data center. Most are large-scale applications covering areas of criminal justice, property taxes, general government, finance, human resources, etc.

WAN/External Interfaces: The wide area network (WAN) is the network that connects to, and is shared and owned by all county departments. Maintaining the WAN is the responsibility of the Department of Information Technology's staff. External interfaces are electronic connections to other county, state, federal and city computer systems and the internet.

Health Services Data Center: Mainframe and minicomputer systems that are maintained at the Health Services Department data center. These include applications for patient billing, case management, patient and facilities scheduling, hazardous materials information, quality control and provider information.

LAN/Desktop Computers: Local area networks (LANs) are networks of desktop computers and in some cases a minicomputer that are maintained by individual County Departments. Some stand-alone desktop computers are maintained by individual County Departments which are also used for important applications.

Imbedded Chips: Includes any other equipment that contains an imbedded microprocessor. The General Services Department is coordinating with the other departments to address this equipment.

Due Diligence: This is the County's process of documenting its planning, methodology, progress, results and present status of the Year 2000 remediation project. This is done through various means, both electronically and on paper. This also includes related programs of the Office of Emergency Services, Environmental Health, County Fire, County Sheriff, private business organizations, etc.

Community Awareness: This is the County's program for communicating a proactive, positive stance with the entire community regarding the County's readiness to deal with the Year 2000 issue.

Since 1996, the county has been recognized as a national public sector leader with respect to Year 2000 issues. County senior management and County Year 2000 managers have spent more than two years authoring technical and business issue articles, appearing in government sponsored videos, providing seminars, developing web-based technical and business assistance to other public and private sector organizations.

The county has been very proactive and positive about discussing pertinent Year 2000 issues within the local business and government community. The County's Chief Information Officer (CIO) co-chairs the California State Association of CIO's Year 2000 Intergovernmental Task Force with the State CIO. The County's CIO has testified before the California State Legislature on two occasions as an expert witness on this subject. The Information Technology Exposition and Conference Board of Advisors, and the State of California's Department of Information Technology, selected Contra Costa County to receive its "Executive Sponsorship," "Year 2000 Project Management," and "Year 2000 Readiness" excellence awards in November of 1998.

22. SUBSEQUENT EVENTS

A. 1997-98 Tax and Revenue Anticipation Notes

On July 1, 1998, the County issued $107,315,000 of short-term tax and revenue anticipation notes. Interest on the notes is at 5.00 percent on $50,000,000 and at 8.00 percent on $57,315,000. They will mature October 1, 1999.

GENERAL FUND

The General Fund accounts for legally authorized activities of the County not provided for in other restricted funds. General Fund revenues are derived from taxes, licenses, permits, franchise fees, fines, forfeitures and penalties, use of money and property, aid from other governmental agencies, charges for current services and other revenue. General Fund expenditures and encumbrances are classified by the functions of general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreational and cultural services. The resources of the General Fund are generally expended and replenished on an annual basis. The Fund will continue to exist indefinitely.

COUNTY OF CONTRA COSTA

GENERAL FUND BALANCE SHEET

JUNE 30, 1998

(With Comparative Totals for June 30, 1997)

(In Thousands)

		1998	1997
Assets:			
Cash and investments	$	122,777	107,811
Accounts receivable and accrued revenue		69,898	62,375
Inventories		1,662	1,549
Due from other funds		129,892	93,175
Advances to other funds		138	138
Prepaid items and deposits		1,405	1,480
Total Assets	$	325,772	266,528
Liabilities and Fund Equity			
Liabilities:			
Short term notes	$	130,000	120,000
Accounts payable and accrued liabilities		38,463	28,476
Due to other funds		60,157	29,069
Welfare program advances		7,891	9,803
Deferred revenue and credits		12,301	10,995
Total Liabilities		248,812	198,343
Fund Equity:			
Fund Balance Reserved for:			
Encumbrances		19,091	16,972
Inventories		1,662	1,549
Advances to other funds		138	138
Prepaid items and deposits		942	1,229
Total Fund Balance - Reserved		21,833	19,888
Fund Balance - Unreserved:			
Designated for future use		9,446	8,679
Undesignated		45,681	39,618
Total Fund Balance - Unreserved		55,127	48,297
Total Fund Balances		76,960	68,185
Total Liabilities and Fund Balances	$	325,772	266,528

COUNTY OF CONTRA COSTA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 96,936	101,370	4,434	99,974
Licenses, permits and franchise fees	7,321	6,476	(845)	7,419
Fines, forfeitures and penalties	10,852	12,725	1,873	14,082
Use of money and property	14,141	13,459	(682)	12,062
Intergovernmental	393,530	378,383	(15,147)	371,750
Charges for services	112,718	107,530	(5,188)	103,913
Other revenue	16,568	15,083	(1,485)	18,198
Total Revenues	652,066	635,026	(17,040)	627,398
Expenditures:				
Current:				
General government	109,319	83,847	25,472	77,199
Public protection	175,283	168,054	7,229	150,121
Health and sanitation	140,674	138,241	2,433	122,676
Public assistance	239,646	213,246	26,400	218,081
Education	153	145	8	133
Public ways and facilities	10,592	6,965	3,627	9,266
Recreation and culture	1		1	
Debt Service				
Interest	6,085	4,302	1,783	4,204
Capital Outlay	2,947	2,947		2,615
Total Expenditures	684,700	617,747	66,953	584,295
Excess of Revenues Over (Under) Expenditures	(32,634)	17,279	49,913	43,103
Other Financing Sources (Uses):				
Operating transfers in	31,314	31,318	4	24,581
Operating transfers out	(42,734)	(42,005)	729	(55,844)
Capital lease financing		2,955	2,955	2,615
Total Other Financing Sources (Uses)	(11,420)	(7,732)	3,688	(28,648)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(44,054)	9,547	53,601	14,455
Fund Balances at Beginning of Year	68,185	68,185		56,524
Residual equity transfers out		(772)	(772)	(2,794)
Fund Balance at End of Year	$ 24,131	76,960	52,829	68,185

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

SPECIAL REVENUE FUNDS

ROAD FUNDS

These Funds were established to provide for maintenance and construction of roadways. Revenues consist primarily of the County's share of State highway user taxes and are supplemented by Federal funds.

LIBRARY FUND

This Fund was established to provide library services for all areas of the County except the city of Richmond. Property taxes provide most of the Fund's revenues.

FIRE PROTECTION FUNDS

These Special District Funds provide fire protection services to both cities and unincorporated areas in the County. They are financed primarily by property taxes.

HEALTH AND SANITATION FUNDS

These Funds provide a variety of health and sanitation services. They are financed by State grants, the County's share of the tobacco tax and user fees.

SERVICE AREAS FUNDS

These Special District Funds provide services such as lighting, park, or street maintenance to specific areas in the County. They are financed by property taxes and user charges.

FLOOD CONTROL FUNDS

These Special District Funds provide services to control flood and storm waters. Revenues are primarily received from property taxes and Federal grants.

LAW ENFORCEMENT FUNDS

These Funds provide for a variety of law enforcement services financed by property taxes, narcotics seizures and court fines and fees.

COURTS AND CRIMINAL JUSTICE FUNDS

These Funds are used for the improvement of court house and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

RECORDER/CLERK MODERNIZATION FUNDS

These Funds provide for automation of civil and small claims functions of the municipal courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

OTHER SPECIAL REVENUE FUNDS

These Funds account for the activities of several non-grant Special Revenue Funds whose combined revenues are less than one percent of total Special Revenue Funds. They include Fish and Game, Survey Monuments, Victim Assistance, Sans Crainte Drainage and County Water Districts.

LAND DEVELOPMENT FUND

This Fund was established to report growth management related activities, such as Building Inspection, Public Works engineering and Community Development growth management related services.

REDEVELOPMENT AGENCY (RDA) FUNDS

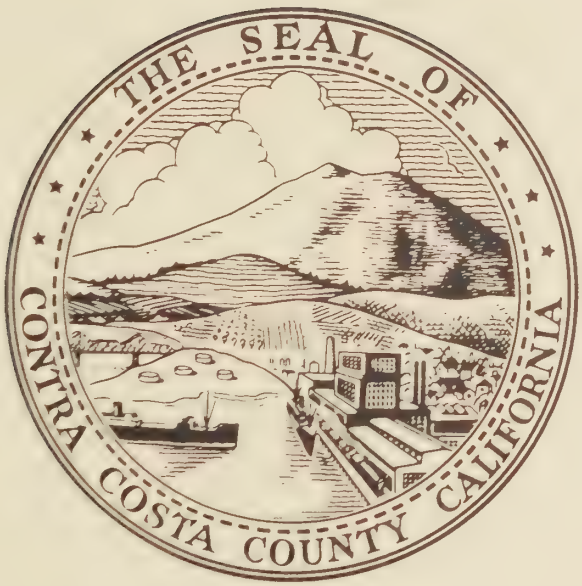
These Funds are used to account for the financial resources designated for the improvement of targeted low to moderate income housing areas and the elimination of blight.

HOUSING AUTHORITY FUNDS

These Funds are used to account for the financial resources designated for housing and housing assistance to low income residents of Contra Costa County.

CHILD DEVELOPMENT FUND

This Fund is used to account for the financial resources designated for the County's Child Development programs.


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1998

(With Comparative Totals for June 30, 1997)

(In Thousands)

	Road	Library	Fire Protection	Health & Sanitation	Service Areas	Flood Control	Law Enforcement
Assets:							
Cash and investments	$ 23,969	4,111	15,074	3,663	9,395	5,857	12,616
Accounts receivable	7,941	526	405	1,495	241	1,947	62
Due from other funds	1,560	364	244	427	566	640	1,027
Advances to other funds					664	10,270	
Notes receivable							
Prepaid items and deposits	76				1	23	
Land held for sale							
Total Assets	$ 33,546	5,001	15,723	5,585	10,867	18,737	13,705
Liabilities and Fund Equity							
Liabilities:							
Accounts payable and accrued liabilities	$ 1,922	870	3,481	1,802	299	133	123
Due to other funds	2,843	620	627	696	800	2,498	3,215
Advances from other funds							
Deferred revenue and credits		140	21				
Total Liabilities	4,765	1,630	4,129	2,498	1,099	2,631	3,338
Fund Equity:							
Fund Balance:							
Reserved for:							
Encumbrances	445	450	1,896	222	216	3,517	269
Prepaid items and deposits	76				1		
Land held for sale							
Advances to other funds					664	10,270	
Total Fund Balance - Reserved	521	450	1,896	222	881	13,787	269
Fund Balance (Deficit) - Unreserved:							
Designated for future projects	3,124	68				193	500
Undesignated	25,136	2,853	9,698	2,865	8,887	2,126	9,598
Total Fund Balance (Deficit) - Unreserved	28,260	2,921	9,698	2,865	8,887	2,319	10,098
Total Fund Balances (Deficits)	28,781	3,371	11,594	3,087	9,768	16,106	10,367
Total Liabilities and Fund Equity	$ 33,546	5,001	15,723	5,585	10,867	18,737	13,705

Courts & Criminal Justice	Recorder/ Clerk Modernization	Other Special Revenue	Land Development	RDA	Housing Authority*	Child Development	Totals 1998	Totals 1997
	3,215	4,622	7,678	1,513	5,795	448	97,956	96,873
69	14	270	1,256		893	524	15,643	16,559
20,727	27	2,619	1,665	321	579	202	30,968	15,349
		3,063					13,997	13,208
					2,442		2,442	2,434
				7	226	1	334	346
				1,739			1,739	2,189
20,796	3,256	10,574	10,599	3,580	9,935	1,175	163,079	146,958
2,129	32	25	605	21	1,277	380	13,099	14,896
17,998	69	1,852	1,737	39	792	465	34,251	19,016
				2,807			2,807	2,657
		431	3,949		2,442		6,983	6,770
20,127	101	2,308	6,291	2,867	4,511	845	57,140	43,339
74	249	38	833	629			8,838	9,106
				7	226		310	346
				1,739			1,739	2,189
		2,632					13,566	13,208
74	249	2,670	833	2,375	226		24,453	24,849
			249				4,134	3,936
595	2,906	5,596	3,226	(1,662)	5,198	330	77,352	74,834
595	2,906	5,596	3,475	(1,662)	5,198	330	81,486	78,770
669	3,155	8,266	4,308	713	5,424	330	105,939	103,619
20,796	3,256	10,574	10,599	3,580	9,935	1,175	163,079	146,958

* Housing Authority fund reported as of March 31, 1998.

COUNTY OF CONTRA COSTA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	Road	Library	Fire Protection	Health And Sanitation	Service Areas	Flood Control	Law Enforcement
Revenues:							
Taxes	$	9,065	43,576	4,337	2,236	3,608	4,795
Licenses, permits and franchise fees		7	373		16	1,252	
Fines, forfeitures and penalties				895			458
Use of money and property	1,176	35	113	70	355	768	352
Intergovernmental	18,838	1,875	1,784	2,988	1,582	(21)	2,742
Charges for services	1,689	564	1,539	1,683	2,434	8,425	269
Other revenue	1,161	617	495		25	538	248
Total Revenues	22,864	12,163	47,880	9,973	6,648	14,570	8,864
Expenditures:							
Current:							
General government		34					
Public protection			48,023		3,489	14,784	7,923
Health and sanitation				9,626			
Public assistance							
Education		11,532			97		
Public ways and facilities	22,719				1,458		
Recreation and culture					484		
Debt Service:							
Principal			636	6	9	724	
Interest							
Capital outlay							
Total Expenditures	22,719	11,566	48,659	9,632	5,537	15,508	7,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	145	597	(779)	341	1,111	(938)	941
Other Financing Sources (Uses)							
Operating transfers in	102	14	73			308	465
Operating transfers out		(400)				(587)	(94)
Advances from other funds						1,185	
Capital lease financing				337			
Total Other Financing Sources (Uses)	102	(386)	73	337		906	371
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	247	211	(706)	678	1,111	(32)	1,312
Fund Balances (Deficits) at Beginning of Year, as Previously Reported	28,534	3,160	15,712	2,409	8,657	16,138	8,283
Adjustments to beginning fund balance							
Fund Balances (Deficits) at Beginning of Year, as Restated	28,534	3,160	15,712	2,409	8,657	16,138	8,283
Residual equity transfer in							772
Residual equity transfer out			(3,412)				
Fund Balances at End of Year	$ 28,781	3,371	11,594	3,087	9,768	16,106	10,367

Courts & Criminal Justice	Recorder/ Clerk Modernization	Other Special Revenue	Land Development	RDA	Housing Authority*	Child Development	Totals 1998	Totals 1997
		227		1,182			69,026	75,146
		97	5,973				7,718	6,846
2,162		8	1				3,524	3,261
24		2,511	360	110	2,779	22	8,675	7,502
7,055		5	5	45	48,502	5,870	91,270	97,084
22	1,486	178	4,649				22,938	23,091
13		566	671		320	6	4,660	4,775
9,276	1,486	3,592	11,659	1,337	51,601	5,898	207,811	217,708
1,841		64					1,939	1,996
14,785	1,209	326	8,114				98,653	122,294
							9,626	9,756
		76		2,078	47,786	5,447	55,387	54,082
							11,629	11,546
			1,929				26,106	23,359
							484	1,105
							1,375	917
		1,585		80			1,665	1,352
					3,298		3,298	3,088
16,626	1,209	2,051	10,043	2,158	51,084	5,447	210,162	229,141
(7,350)	277	1,541	1,616	(821)	517	451	(2,351)	(11,433)
6,878				624			8,464	21,335
(1,235)	(43)		(177)	(249)		(162)	(2,947)	(4,522)
							1,185	1,257
623							960	
6,266	(43)		(177)	375		(162)	7,662	18,070
(1,084)	234	1,541	1,439	(446)	517	289	5,311	6,637
1,753	2,921	6,725	2,869	1,510	4,907	41	103,619	94,188
				(351)			(351)	
1,753	2,921	6,725	2,869	1,159	4,907	41	103,268	94,188
							772	2,794
							(3,402)	
669	3,155	8,266	4,308	713	5,424	330	105,939	103,619

* Housing Authority fund reported as of March 31, 1998

COUNTY OF CONTRA COSTA

ROAD SPECIAL REVENUE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Use of money and property	$ 940	1,176	236	1,094
Intergovernmental	22,019	18,838	(3,181)	19,255
Charges for services	5,322	1,689	(3,633)	1,453
Other revenue	883	1,161	278	888
Total Revenues	29,164	22,864	(6,300)	22,690
Expenditures:				
Public Ways and Facilities				
Services and supplies	49,178	21,116	28,062	18,011
Other charges	2,708	921	1,787	111
Fixed assets	1,008	682	326	1,140
Total Public Ways and Facilities	52,894	22,719	30,175	19,262
Total Expenditures	52,894	22,719	30,175	19,262
Revenues Over (Under) Expenditures	(23,730)	145	23,875	3,428
Other Financing Sources:				
Operating transfers in	102	102		102
Revenues and Other Financing Sources Over (Under) Expenditures	(23,628)	247	23,875	3,530
Fund Balance at Beginning of Year	28,534	28,534		25,004
Fund Balance at End of Year	$ 4,906	28,781	23,875	28,534

COUNTY OF CONTRA COSTA

LIBRARY SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 9,222	9,065	(157)	9,038
Licenses, permits and franchise fees		7	7	32
Use of money and property	32	35	3	38
Intergovernmental	1,749	1,875	126	1,632
Charges for services	482	564	82	571
Other revenue	602	617	15	610
Total Revenues	12,087	12,163	76	11,921
Expenditures:				
General Government				
Fixed assets	738	34	704	25
Education				
Salaries and benefits	7,322	7,174	148	6,719
Services and supplies	5,183	4,268	915	4,010
Other charges	8	8		37
Fixed assets	182	82	100	420
Total Education	12,695	11,532	1,163	11,186
Total Expenditures	13,433	11,566	1,867	11,211
Revenues Over (Under) Expenditures	(1,346)	597	1,943	710
Other Financing Sources (Uses):				
Operating transfers in	14	14		8
Operating transfers out	(400)	(400)		(354)
Total Other Financing Sources (Uses)	(386)	(386)		(346)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,732)	211	1,943	364
Fund Balance at Beginning of Year	3,160	3,160		2,796
Fund Balance at End of Year	$ 1,428	3,371	1,943	3,160

COUNTY OF CONTRA COSTA

FIRE PROTECTION SPECIAL REVENUE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 44,812	43,576	(1,236)	50,754
Licenses, permits and franchise fees	380	373	(7)	383
Use of money and property		113	113	175
Intergovernmental	797	1,784	987	2,041
Charges for services	1,668	1,539	(129)	1,919
Other revenue	35	495	460	1,718
Total Revenues	47,692	47,880	188	56,990
Expenditures:				
Public Protection				
Salaries and benefits	42,651	40,928	1,723	47,480
Services and supplies	7,670	4,987	2,683	7,254
Other charges	459	454	5	563
Fixed assets	3,762	1,654	2,108	3,123
Total Public Protection	54,542	48,023	6,519	58,420
Debt Service				
Principal		636	(636)	500
Total Expenditures	54,542	48,659	5,883	58,920
Revenues Over (Under) Expenditures	(6,850)	(779)	6,071	(1,930)
Other Financing Sources				
Operating transfers in		73	73	
Fund Balance at Beginning of Year	15,712	15,712		17,642
Residual Equity Transfer out		(3,412)	(3,412)	
Fund Balance at End of Year	$ 8,862	11,594	2,732	15,712

COUNTY OF CONTRA COSTA

HEALTH AND SANITATION SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 4,337	4,337		4,393
Fines, forfeitures and penalties	772	895	123	792
Use of money and property	56	70	14	78
Intergovernmental	2,988	2,988		2,956
Charges for services	1,223	1,683	460	1,631
Total Revenues	9,376	9,973	597	9,850
Expenditures:				
Health and Sanitation				
Salaries and benefits	169	168	1	177
Services and supplies	11,171	9,071	2,100	9,281
Other charges	279	270	9	249
Fixed assets	499	117	382	49
Total Health and Sanitation	12,118	9,626	2,492	9,756
Debt Service				
Principal		6	(6)	
Total Expenditures	12,118	9,632	2,486	9,756
Other Financing Sources:				
Capital lease financing	337	337		
Revenues Over (Under) Expenditures	(2,405)	678	(1,889)	94
Fund Balance at Beginning of Year	2,409	2,409		2,315
Fund Balance at End of Year	$ 4	3,087	3,083	2,409

COUNTY OF CONTRA COSTA

SERVICE AREAS SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 2,276	2,236	(40)	2,215
Licenses, permits and franchise fees	5	16	11	15
Use of money and property	246	355	109	280
Intergovernmental	1,114	1,582	468	1,596
Charges for services	1,130	2,434	1,304	2,517
Other revenue	21	25	4	5
Total Revenues	4,792	6,648	1,856	6,628
Expenditures:				
Public Protection				
Services and supplies	6,037	2,906	3,131	3,236
Other charges	75	66	9	113
Fixed assets	707	517	190	75
Reserves	136		136	
Total Public Protection	6,955	3,489	3,466	3,424
Education				
Services and supplies	74	64	10	87
Other charges	50	33	17	33
Total Education	124	97	27	120
Public Ways and Facilities				
Salaries and benefits	1		1	1
Services and supplies	1,139	641	498	794
Other charges	992	619	373	1,079
Fixed assets	465	198	267	277
Reserves	1		1	
Total Public Ways and Facilities	2,598	1,458	1,140	2,151

(continued)

COUNTY OF CONTRA COSTA

SERVICE AREAS SPECIAL REVENUE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Recreation and Culture				
Salaries and benefits	1		1	1
Services and supplies	236	203	33	113
Other charges	66	65	1	8
Fixed assets	1,754	216	1,538	928
Total Recreation and Culture	2,057	484	1,573	1,050
Debt Service				
Principal		9	(9)	
Total Expenditures	11,734	5,537	6,197	6,745
Revenues Over (Under) Expenditures	(6,942)	1,111	8,053	(117)
Fund Balance at Beginning of Year	8,657	8,657		8,774
Fund Balance at End of Year	$ 1,715	9,768	8,053	8,657

(concluded)

COUNTY OF CONTRA COSTA

FLOOD CONTROL SPECIAL REVENUE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 -1998			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 3,610	3,608	(2)	3,558
Licenses, permits and franchise fees	751	1,252	501	1,001
Use of money and property	104	768	664	289
Intergovernmental	1,136	(21)	(1,157)	574
Charges for services	8,457	8,425	(32)	8,647
Other revenue	1,282	538	(744)	276
Total Revenues	15,340	14,570	(770)	14,345
Expenditures:				
Public Protection				
Salaries and benefits	2	1	1	2
Services and supplies	17,909	13,320	4,589	12,356
Other charges	3,685	1,463	2,222	531
Fixed assets	70		70	18
Reserves	162		162	
Total Public Protection	21,828	14,784	7,044	12,907
Debt Service				
Principal	666	724	(58)	357
Total Expenditures	22,494	15,508	6,986	13,264
Revenues Over (Under) Expenditures	(7,154)	(938)	6,216	1,081
Other Financing Sources (Uses):				
Operating transfers in	308	308		200
Operating transfers out	(587)	(587)		(759)
Advances from other funds	1,185	1,185		1,257
Total Other Financing Sources (Uses)	906	906		698
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(6,248)	(32)	6,216	1,779
Fund Balance at Beginning of Year	16,138	16,138		14,359
Fund Balance at End of Year	$ 9,890	16,106	6,216	16,138

COUNTY OF CONTRA COSTA

LAW ENFORCEMENT SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 4,411	4,795	384	3,816
Fines, forfeitures and penalties	410	458	48	431
Use of money and property	82	352	270	304
Intergovernmental	2,731	2,742	11	2,894
Charges for services	226	269	43	125
Other revenue	249	248	(1)	693
Total Revenues	8,109	8,864	755	8,263
Expenditures:				
Public Protection				
Salaries and benefits	1,443	1,245	198	755
Services and supplies	8,626	4,147	4,479	3,682
Other charges	2,413	2,182	231	1,935
Fixed assets	585	349	236	132
Total Public Protection	13,067	7,923	5,144	6,504
Debt Service				
Principal				60
Total Expenditures	13,067	7,923	5,144	6,564
Revenues Over (Under) Expenditures	(4,958)	941	5,899	1,699
Other Financing Sources (Uses):				
Operating transfers in	676	465	(211)	
Operating transfers out	(94)	(94)		(1,729)
Total Other Financing Sources (Uses)	582	371	(211)	(1,729)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(4,376)	1,312	5,688	(30)
Fund Balance at Beginning of Year	8,283	8,283		5,519
Residual equity transfer in		772	772	2,794
Fund Balance at End of Year	$ 3,907	10,367	6,460	8,283

COUNTY OF CONTRA COSTA

COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Fines, forfeitures and penalties	$ 1,925	2,162	237	2,025
Use of money and property		24	24	30
Intergovernmental	15,814	7,055	(8,759)	11,896
Charges for service		22	22	24
Other revenue	5,180	13	(5,167)	30
Total Revenues	22,919	9,276	(13,643)	14,005
Expenditures:				
General Government				
Services and supplies	2,239	1,841	398	1,806
Fixed assets	74		74	
Total General Government	2,313	1,841	472	1,806
Public Protection				
Salaries and benefits	19,026	18,551	475	18,433
Services and supplies	14,267	14,179	88	12,196
Other charges	(5,379)	(18,164)	12,785	143
Fixed assets	645	318	327	107
Expenditure transfers		(99)	99	(171)
Total Public Protection	28,559	14,785	13,774	30,708
Total Expenditures	30,872	16,626	14,246	32,514
Revenues Over (Under) Expenditures	(7,953)	(7,350)	603	(18,509)
Other Financing Sources (Uses):				
Operating transfers in	6,878	6,878		21,025
Operating transfers out	(1,235)	(1,235)		(1,146)
Capital lease financing	623	623		
Total Other Financing Sources	6,266	6,266		19,879
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,687)	(1,084)	603	1,370
Fund Balance at Beginning of Year	1,753	1,753		383
Fund Balance at End of Year	$ 66	669	603	1,753

COUNTY OF CONTRA COSTA

RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Charges for services	$ 1,228	1,486	258	1,167
Other revenue	58		(58)	
Total Revenues	1,286	1,486	200	1,167
Expenditures:				
Public Protection				
Salaries and benefits	417	299	118	300
Services and supplies	1,182	531	651	661
Fixed assets	2,596	379	2,217	1,304
Total Public Protection	4,195	1,209	2,986	2,265
Total Expenditures	4,195	1,209	2,986	2,265
Revenues Over (Under) Expenditures	(2,909)	277	3,186	(1,098)
Other Financing Uses:				
Operating transfers out	(43)	(43)		(20)
Revenues Over (Under) Expenditures and Other Financing Uses	(2,952)	234	3,186	(1,118)
Fund Balance at Beginning of Year	2,921	2,921		4,039
Fund Balance at End of Year	$ (31)	3,155	3,186	2,921

COUNTY OF CONTRA COSTA

OTHER SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 226	227	1	227
Licenses, permits and franchises	89	97	8	99
Fines, forfeitures and penalties	5	8	3	13
Use of money and property	1,625	2,511	886	2,080
Intergovernmental	3	5	2	5
Charges for services	158	178	20	165
Other revenue		566	566	1
Total Revenues	2,106	3,592	1,486	2,590
Expenditures:				
General Government				
Services and supplies	370	64	306	165
Other charges	1		1	
Total General Government	371	64	307	165
Public Protection				
Services and supplies	1,442	326	1,116	317
Other charges				
Total Public Protection	1,442	326	1,116	317
Public Assistance				
Services and supplies	2,577	76	2,501	76
Debt Service				
Interest	1,585	1,585		1,352
Total Expenditures	5,975	2,051	3,924	1,910
Revenues Over (Under) Expenditures	(3,869)	1,541	5,410	680
Fund Balance at Beginning of Year	6,725	6,725		6,045
Fund Balance at End of Year	$ 2,856	8,266	5,410	6,725

COUNTY OF CONTRA COSTA

LAND DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Licenses, permits and franchise fees	$ 4,985	5,973	988	5,316
Fines, forfeitures and penalties		1	1	
Use of money and property	30	360	330	315
Intergovernmental		5	5	
Charges for services	5,282	4,649	(633)	4,870
Other revenue	248	671	423	94
Total Revenues	10,545	11,659	1,114	10,595
Expenditures:				
Public Protection				
Salaries and benefits	3,209	2,977	232	2,640
Services and supplies	7,410	4,902	2,508	5,069
Other charges	405	372	33	
Fixed assets	184	23	161	211
Expenditure transfers	(160)	(160)		(171)
Total Public Protection	11,048	8,114	2,934	7,749
Public Ways and Facilities				
Services and supplies	2,349	2,314	35	2,391
Other charges	10	10		
Expenditure transfers	(394)	(395)	1	(504)
Total Public Ways and Facilities	1,965	1,929	36	1,887
Total Expenditures	13,013	10,043	2,970	9,636
Revenues Over (Under) Expenditures	(2,468)	1,616	4,084	959
Other Financing Uses:				
Operating transfers out	(177)	(177)		(174)
Total Other Financing Uses	(177)	(177)		(174)
Revenues Over (Under) Expenditures and Other Financing Uses	(2,645)	1,439	4,084	785
Fund Balance at Beginning of Year	2,869	2,869		2,084
Fund Balance at End of Year	$ 224	4,308	4,084	2,869

COUNTY OF CONTRA COSTA

REDEVELOPMENT AGENCY SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 1,002	1,182	180	1,145
Use of money and property	47	110	63	92
Intergovernmental	1,020	45	(975)	
Other revenue	2,567		(2,567)	
Total Revenues	4,636	1,337	(3,299)	1,237
Expenditures:				
Public Assistance				
Services and supplies	2,865	1,114	1,751	716
Other charges	901	514	387	17
Decline in value of land held for resale		450	(450)	
Total Public Assistance	3,766	2,078	1,688	733
Debt Service				
Interest		80	(80)	
Total Expenditures	3,766	2,158	1,608	733
Revenues Over (Under) Expenditures	870	(821)	(1,691)	504
Other Financing Sources (Uses):				
Operating transfers in	624	624		
Operating transfers out	(249)	(249)		(162)
Total Other Financing Sources (Uses)	375	375		(162)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	1,245	(446)	(1,691)	342
Fund Balance at Beginning of Year, as Previously Reported	1,510	1,510		1,168
Adjustments to beginning fund balance		(351)	(351)	
Fund Balance at Beginning of Year, as Restated	1,510	1,159	(351)	1,168
Fund Balance at End of Year	$ 2,755	713	(2,042)	1,510

COUNTY OF CONTRA COSTA

HOUSING AUTHORITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 1998

(With Comparative Totals for the Year Ended March 31, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Use of money and property	$ 2,843	2,779	(64)	2,725
Intergovernmental	53,258	48,502	(4,756)	48,753
Other revenue	279	320	41	329
Total Revenues	56,380	51,601	(4,779)	51,807
Expenditures:				
Public Assistance				
Other charges	52,668	47,786	4,882	47,970
Capital Outlay	3,419	3,298	121	3,088
Total Expenditures	56,087	51,084	5,003	51,058
Revenues Over (Under) Expenditures	293	517	224	749
Fund Balance at Beginning of Year	4,907	4,907		4,158
Fund Balance at End of Year	$ 5,200	5,424	224	4,907

COUNTY OF CONTRA COSTA

CHILD DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Use of money and property	$ 9	22	13	2
Intergovernmental	5,922	5,870	(52)	5,482
Charges for services				2
Other revenue		6	6	134
Total Revenues	5,931	5,898	(33)	5,620
Expenditures:				
Public Assistance				
Salaries and benefits	3,508	3,459	49	3,328
Services and supplies	1,548	1,320	228	1,975
Fixed assets	744	668	76	
Total Public Assistance	5,800	5,447	353	5,303
Total Expenditures	5,800	5,447	353	5,303
Revenues Over (Under) Expenditures	131	451	320	317
Other Financing Uses:				
Operating transfers out	(162)	(162)		(178)
Total Other Financing Uses	(162)	(162)		(178)
Revenues Over Expenditures and Other Financing Source (Uses)	(31)	289	320	139
Fund Balance (Deficit) at Beginning of Year	41	41		(98)
Fund Balance at End of Year	$ 10	330	320	41

DEBT SERVICE FUNDS

SANITATION BONDS

To accumulate monies for payment of sanitation bonds. Financing is provided by specific property tax levies and user charges.

RECREATION AND PARK BONDS

To accumulate monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

STORM DRAINAGE BONDS

To accumulate monies for payment of storm drainage bonds. Financing is provided by specific property tax levies.

FINANCING AGENCIES

To accumulate resources for payment of general long-term debt incurred for the various financing activities of The Contra Costa County Public Facilities Corporation and the County of Contra Costa Public Financing Authority.

REDEVELOPMENT AGENCY (RDA)

To accumulate resources for payment of general long-term debt incurred for the purchase of real property within the area of the Redevelopment Agency.

PENSION BOND

To accumulate monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the County's Unfunded Actuarial Accrued Liability (UAAL).

HOUSING AUTHORITY

To accumulate monies for payment of Housing Authority debt. Financing is provided by intergovernmental revenues.

ASSESSMENT DISTRICTS

This Fund was established to account for the accumulation of monies for payment of Assessment District debt issued to fund Assessment District capital improvement projects.

COUNTY OF CONTRA COSTA

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1998
(With Comparative Totals for June 30, 1997)
(In Thousands)

	Sanitation Bonds	Recreation and Park Bonds	Storm Drainage Bonds	Financing Agencies
Assets:				
Cash and investments	$			22,474
Accounts receivable	1	3		75
Prepaid Items and Deposits				1,873
Due from other funds				
Total Assets	$ 1	3		24,422
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$			18
Due to other funds	1	27		
Deferred credits				
Total Liabilities	1	27		18
Fund Equity:				
Fund Balance Reserved:				
Prepaid Expense and Deposits				1,873
Debt service		(24)		22,531
Total Fund Balance Reserved		(24)		24,404
Total Liabilities and Fund Equity	$ 1	3		24,422

RDA	Pension Bond	Housing Authority*	Assessment Districts	Totals 1998	1997
3,634		323	4,401	30,832	17,762
43	2,439		12	2,573	2,208
				1,873	
			52	52	
3,677	2,439	323	4,465	35,330	19,970
806			98	922	1,187
	1,228			1,256	2,062
					3
806	1,228		98	2,178	3,252
				1,873	
2,871	1,211	323	4,367	31,279	16,718
2,871	1,211	323	4,367	33,152	16,718
3,677	2,439	323	4,465	35,330	19,970

* Housing Authority fund reported as of March 31, 1998.

COUNTY OF CONTRA COSTA

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	Sanitation Bonds	Recreation and Park Bonds	Storm Drainage Bonds	Financing Agencies
Revenues:				
Taxes	$ 128	454	7	
Use of money and property				16,960
Intergovernmental		11		
Other revenue				
Total Revenues	128	465	7	16,960
Expenditures:				
Debt Service				
Principal	120	370	5	11,370
Interest	7	157	2	8,861
Capital outlay	1	2		1,416
Total Expenditures	128	529	7	21,647
Excess (Deficiency) of Revenues Over (Under) Expenditures		(64)		(4,687)
Other Financing Sources (Uses):				
Operating transfers in				674
Proceeds from refunding bonds				62,128
Payment to refunded bond escrow agent				(42,119)
Total Other Financing Sources (Uses)				20,683
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		(64)		15,996
Fund Balances at Beginning of Year, as Previously Reported		40		8,408
Adjustment to beginning fund balance				
Fund Balances at Beginning of Year, as Restated		40		8,408
Residual Transfers Out				
Fund Balances at End of Year	$	(24)		24,404

RDA	Pension Bond	Housing Authority*	Assessment Districts	Totals 1998	1997
1,857			3,618	6,064	7,000
191	1,140		335	18,626	14,552
		409		420	423
					2,681
2,048	1,140	409	3,953	25,110	24,656
390	6,715	321	2,760	22,051	15,282
1,932	21,704	82	2,002	34,747	33,150
1	1		74	1,495	902
2,323	28,420	403	4,836	58,293	49,334
(275)	(27,280)	6	(883)	(33,183)	(24,678)
2,528	28,291			31,493	26,756
			4,785	66,913	
			(4,138)	(46,257)	
2,528	28,291		647	52,149	26,756
2,253	1,011	6	(236)	18,966	2,078
618	200	317	7,135	16,718	14,956
					(316)
618	200	317	7,135	16,718	14,640
			(2,532)	(2,532)	
2,871	1,211	323	4,367	33,152	16,718

* Housing Authority fund reported as of March 31, 1998.

COUNTY OF CONTRA COSTA

SANITATION BONDS DEBT SERVICE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 131	128	(3)	130
Expenditures:				
Debt Service:				
Principal	120	120		115
Interest	9	7	2	14
Capital outlay	2	1	1	1
Total Expenditures	131	128	3	130
Revenues Over (Under) Expenditures				
Fund Balance at Beginning of Year				
Fund Balance at End of Year	$			

COUNTY OF CONTRA COSTA

RECREATION AND PARK BONDS DEBT SERVICE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 540	454	(86)	550
Intergovernmental		11	11	13
Total Revenues	540	465	(75)	563
Expenditures:				
Debt Service:				
Principal	370	370		355
Interest	157	157		171
Capital Outlay	53	2	51	2
Total Expenditures	580	529	51	528
Revenues Over (Under) Expenditures	(40)	(64)	(24)	35
Fund Balance at Beginning of Year	40	40		5
Fund Balance (Deficit) at End of Year	$	(24)	(24)	40

COUNTY OF CONTRA COSTA

STORM DRAINAGE BONDS DEBT SERVICE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 7	7		7
Expenditures:				
Debt Service:				
Principal	5	5		5
Interest	2	2		2
Total Expenditures	7	7		7
Revenues Over (Under) Expenditures				
Fund Balances at Beginning of Year				
Fund Balances at End of Year	$			

COUNTY OF CONTRA COSTA

REDEVELOPMENT AGENCY DEBT SERVICE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 2,057	1,857	(200)	1,896
Use of money and property		191	191	160
Total Revenues	2,057	2,048	(9)	2,056
Expenditures:				
Debt Service:				
Principal	390	390		330
Interest	2,496	1,932	564	1,980
Capital outlay	1	1		1
Total Expenditures	2,887	2,323	564	2,311
Revenues Over (Under) Expenditures	(830)	(275)	555	(255)
Other Financing Sources:				
Operating transfers in	140	2,528	2,388	356
Revenues and Other Financing Sources Over (Under) Expenditures	(690)	2,253	2,943	101
Fund Balance at Beginning of Year	618	618		517
Fund Balance at End of Year	$ (72)	2,871	2,943	618

COUNTY OF CONTRA COSTA

PENSION BOND DEBT SERVICE FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996-97 Actual
Revenues:				
Use of money and property	$ 1,063	1,140	77	1,064
Expenditures:				
Debt Service:				
Principal	6,718	6,715	3	4,920
Interest	21,704	21,704		21,960
Capital outlay	80	1	79	4
Total Expenditures	28,502	28,420	82	26,884
Revenues Over (Under) Expenditures	(27,439)	(27,280)	159	(25,820)
Other Financing Sources:				
Operating transfers in	27,239	28,291	1,052	25,726
Revenues and Other Financing Sources Over (Under) Expenditures	(200)	1,011	1,211	(94)
Fund Balance (Deficit) at Beginning of Year	200	200		294
Fund Balance at End of Year	$	1,211	1,211	200

COUNTY OF CONTRA COSTA

HOUSING AUTHORITY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED MARCH 31, 1998

(With Comparative Totals for the Year Ended March 31, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Use of money and property	$ 1		(1)	1
Intergovernmental	409	409		410
Total Revenues	410	409	(1)	411
Expenditures:				
Debt Service				
Principal	321	321		308
Interest	82	82		95
Total Expenditures	403	403		403
Revenues Over (Under) Expenditures	7	6	(1)	8
Fund Balances at Beginning of Year	317	317		309
Fund Balance at End of Year	$ 324	323	(1)	317

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

CAPITAL PROJECTS FUNDS

REDEVELOPMENT AGENCY (RDA)

The Redevelopment Agency was formed for the acquisition of real property and construction of improvements thereon in the County's unincorporated areas for the purpose of removing or preventing blight.

WEST COUNTY JAIL

This Fund was established to account for construction of a 560 bed jail in the City of Richmond and a Women's Project Building. Construction has been substantially completed as of June 30, 1997.

ASSESSMENT DISTRICTS

This Fund was established to account for all the capital improvement projects constructed using Assessment District funds

COUNTY OF CONTRA COSTA

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1998

(With Comparative Totals for June 30, 1997)

(In Thousands)

	Redevelopment Agency	West County Jail	Assessment Districts	Totals 1998	Totals 1997
Assets:					
Cash and investments	$ 19,697	309	3,298	23,304	22,866
Accounts receivable and accrued revenue	35		2	37	45
Due from other funds	414	2		416	472
Land held for resale	1,849			1,849	
Total Assets	$ 21,995	311	3,300	25,606	23,383
Liabilities and Fund Equity					
Liabilities:					
Accounts payable and accrued liabilities	$ 59	79	1	139	171
Due to other funds	1,127		53	1,180	577
Advances from other funds	230			230	
Total Liabilities	1,416	79	54	1,549	748
Fund Equity:					
Fund Balance - Reserved:					
Reserved for:					
Encumbrances	79			79	473
Redevelopment projects					2,223
Total Fund Balance - Reserved	79			79	2,696
Fund Balance - Unreserved:					
Designated for future projects	18,651		2,550	21,201	19,038
Undesignated	1,849	232	696	2,777	901
Total Fund Balance - Unreserved	20,500	232	3,246	23,978	19,939
Total Fund Balance	20,579	232	3,246	24,057	22,635
Total Liabilities and Fund Equity	$ 21,995	311	3,300	25,606	23,383

COUNTY OF CONTRA COSTA

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	Redevelopment Agency	West County Jail	Assessment Districts	Totals 1998	Totals 1997
Revenues:					
Taxes	$ 2,871			2,871	2,685
Use of money and property	1,342	12	54	1,408	1,341
Intergovernmental	1,135			1,135	
Charges for services					204
Other revenue	101			101	1
Total Revenues	5,449	12	54	5,515	4,231
Expenditures:					
Debt Service:					
Principal	160			160	160
Interest	2			2	
Capital outlay	3,541		21	3,562	3,184
Total Expenditures	3,703		21	3,724	3,344
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,746	12	33	1,791	887
Other Financing Sources (Uses):					
Operating transfers out	(2,903)			(2,903)	(193)
Advances from other funds	2			2	84
Total Other Financing Sources (Uses)	(2,901)			(2,901)	(109)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,155)	12	33	(1,110)	778
Fund Balances at Beginning of Year, as Previously Reported	21,734	220	681	22,635	22,152
Adjustment to beginning fund balance					(295)
Fund Balances at Beginning of Year, as Restated	21,734	220	681	22,635	21,857
Residual equity transfer in			2,532	2,532	
Fund Balances at End of Year	$ 20,579	232	3,246	24,057	22,635

COUNTY OF CONTRA COSTA

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 98			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Taxes	$ 2,787	2,871	84	2,685
Use of money and property	530	1,342	812	1,297
Intergovernmental	1,313	1,135	(178)	
Charges for services	155		(155)	130
Other revenue	14,703	101	(14,602)	1
Total Revenues	19,488	5,449	(14,039)	4,113
Expenditures:				
Debt Service:				
Principal	160	160		160
Interest		2	(2)	
Capital Outlay:				
Salaries and benefits	10	6	4	7
Services and supplies	18,427	2,769	15,658	2,329
Other charges	1,360	766	594	801
Fixed assets	3,180		3,180	5
Total Expenditures	23,137	3,703	19,434	3,302
Revenues Over (Under) Expenditures	(3,649)	1,746	5,395	811
Other Financing Sources (Uses):				
Operating transfers out	(2,903)	(2,903)		(193)
Advances from other funds		2	2	84
Total Other Financing Sources (Uses)	(2,903)	(2,901)	2	(109)
Revenues and Other Sources Over (Under) Expenditures and Other Financing (Uses)	(6,552)	(1,155)	5,397	702
Fund Balances at Beginning of Year		21,734	21,734	21,032
Fund Balance at End of Year	$ (6,552)	20,579	27,131	21,734

COUNTY OF CONTRA COSTA

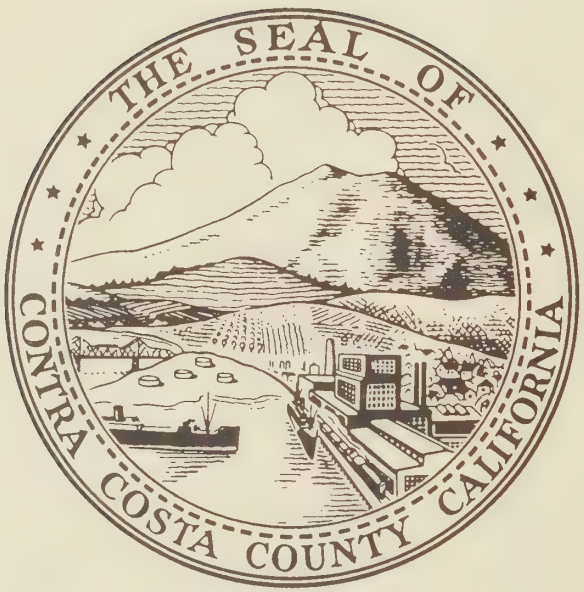
WEST COUNTY JAIL CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	1997 - 1998			
	Budget	Actual	Variance - Favorable (Unfavorable)	1996 - 97 Actual
Revenues:				
Use of money and property	$	12	12	13
Total Revenues		12	12	13
Expenditures:				
Capital Outlay:				
Salaries and benefits	94		94	
Services and supplies	126		126	7
Total Expenditures	220		220	7
Revenues Over (Under) Expenditures	(220)	12	232	6
Fund Balances at Beginning of Year	220	220		214
Fund Balance at End of Year	$	232	232	220


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

ENTERPRISE FUNDS

AIRPORT

This Fund was established to provide for operations and maintenance of Buchanan Field aviation facilities and construction of Byron Airport. Revenues include receipts under rental and lease arrangements involving County airport facilities, and State and Federal aid.

EMPLOYEE FITNESS CENTER

This Fund accounts for the operations of the fitness center in providing facilities and instruction to promote employee fitness. Financing is provided by user fees.

COUNTY HOSPITAL

This Fund was established to account for operations of the County hospital, outpatient clinics and other facilities involved in providing health services to County residents. Revenues are principally fees for patient services, payments from Federal and State programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues and subsidies from the General Fund.

HEALTH MAINTENANCE ORGANIZATION

This Fund accounts for operations of the County's prepaid health plan. Revenues are primarily capitation payments by Medicare and Medi-Cal, premiums by private citizens and realignment revenues. The bulk of medical services required by the plan are provided by the County Hospital Enterprise Fund at charge rates established by the Health Services Department.

MAJOR RISK MEDICAL INSURANCE

This Fund accounts for operations of the County's participation in the State's Major Risk Medical Insurance program. The Program is designed to provide health insurance to Californians who are unable to obtain coverage on the open market. The Contra Costa Health Plan acts as the fiscal intermediary for the State. The County is not at risk for the costs of services in the Program, which is funded through a combination of subscriber premiums and State funding from tobacco tax monies. Program activities are reported in this Enterprise Fund.

REGENCY HILLS

This Fund was established to account for the operations of the Regency Hills skilled nursing facility. Revenues are principally payments from Federal and State programs such as Medicare, Medi-Cal and Short-Doyle.

COUNTY OF CONTRA COSTA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(With Comparative Totals for June 30, 1997)

(In Thousands)

	Airport	Employee Fitness Center	County Hospital
Assets:			
Cash and investments	$ 3,610		60,715
Accounts receivable and accrued revenue	815	4	28,227
Inventories	15		833
Due from other funds	634	2	18,415
Prepaid items and deposits	21	4	2,854
Fixed assets, net	30,717	37	113,463
Total Assets	$ 35,812	47	224,507
Liabilities and Fund Equity			
Liabilities:			
Accounts payable and accrued liabilities	$ 258	2	13,083
Employee benefits payable	44		4,680
Due to other funds	1,168	409	15,092
Capital lease obligations	7,141		208
Certificates of participation, net			128,177
Deferred revenue and credits			33,895
Notes payable	1,012		
Other non-current liabilities			
Total Liabilities	9,623	411	195,135
Fund Equity:			
Contributed capital	26,930		775
Retained Earnings (Deficit):			
Reserved for bond repayment			22,535
Unreserved	(741)	(364)	6,062
Total Retained Earnings (Deficit)	(741)	(364)	28,597
Total Fund Equity (Deficit)	26,189	(364)	29,372
Total Liabilities and Fund Equity	$ 35,812	47	224,507

Health Maintenance Organization	Major Risk Medical Insurance	Regency Hills	Totals 1998	1997
14,152	180	139	78,796	105,373
9,205		110	38,361	17,414
			848	827
3,255	2		22,308	18,702
158		2	3,039	3,142
93			144,310	118,950
26,863	182	251	287,662	264,408
9,264		181	22,788	19,104
147			4,871	4,475
12,024	8		28,701	20,559
72			7,421	3,877
			128,177	127,472
			33,895	27,330
			1,012	536
1,031			1,031	1,031
22,538	8	181	227,896	204,384
1,000		500	29,205	30,068
			22,535	18,653
3,325	174	(430)	8,026	11,303
3,325	174	(430)	30,561	29,956
4,325	174	70	59,766	60,024
26,863	182	251	287,662	264,408

COUNTY OF CONTRA COSTA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	Airport	Employee Fitness Center	County Hospital
Operating Revenues:			
Charges for services	$ 2,274	101	178,446
Intergovernmental			5,710
Total Operating Revenues	2,274	101	184,156
Operating Expenses:			
Salaries and employee benefits	898	15	96,487
Services and supplies	674	186	45,622
Other charges	251	13	6,902
Depreciation	1,108	11	3,235
Total Operating Expenses	2,931	225	152,246
Operating Income (Loss)	(657)	(124)	31,910
Nonoperating Revenues (Expenses):			
Interest income		19	
Interest expense	(67)		
Loss on disposal of fixed asset			(12)
Total Nonoperating Revenues (Expenses)	(67)	19	(12)
Income (Loss) Before Operating Transfers	(724)	(105)	31,898
Operating transfers in			4,981
Operating transfers out	(55)		(36,854)
Net Income (Loss)	(779)	(105)	25
Add depreciation on contributed capital	902		27
Increase (Decrease) in Retained Earnings	123	(105)	52
Retained Earnings (Deficit) at Beginning of the Year, as Previously Reported	(864)	(259)	28,545
Retained earnings adjustment			
Retained Earnings (Deficit) at Beginning of Year, as Restated	(864)	(259)	28,545
Retained Earnings (Deficit) at End of Year	$ (741)	(364)	28,597

Health Maintenance Organization	Major Risk Medical Insurance	Regency Hills	Totals 1998	1997
66,777	103	1	247,702	197,779
11,420			17,130	22,708
78,197	103	1	264,832	220,487
4,209			101,609	93,969
81,705	110	25	128,322	102,898
167			7,333	7,462
26			4,380	2,641
86,107	110	25	241,644	206,970
(7,910)	(7)	(24)	23,188	13,517
			19	19
			(67)	(92)
(35)			(47)	(4)
(35)			(95)	(77)
(7,945)	(7)	(24)	23,093	13,440
8,684			13,665	15,572
(173)			(37,082)	(27,675)
566	(7)	(24)	(324)	1,337
			929	566
566	(7)	(24)	605	1,903
2,759	181	(406)	29,956	28,158
				(105)
2,759	181	(406)	29,956	28,053
3,325	174	(430)	30,561	29,956

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1998
(With Comparative Totals for the Year Ended June 30, 1997)
(In Thousands)

	Airport	Employee Fitness Center
Operating Income (Loss)	$ (657)	(124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	1,108	11
Fixed assets writedown	14	12
Change in assets and liabilities:		
Decrease (increase) in accounts receivable and accrued revenue	245	4
Decrease (increase) in inventories	(15)	
Decrease (increase) in amounts due from other funds	(536)	3
Decrease (increase) in prepaid items and deposits	1	1
Increase (decrease) in accounts payable and accrued liabilities	56	(2)
Increase (decrease) in employee benefits payable	4	
Increase (decrease) in amounts due to other funds	(294)	76
Increase (decrease) in deferred revenue and credits		
Net Cash Provided by (Used for) Operating Activities	(74)	(19)
Cash Flows from Noncapital Financing Activities:		
Operating transfers in		
Operating transfers out	(55)	
Net Cash Provided by (Used for) Noncapital Financing Activities	(55)	
Cash Flows from Capital and Related Financing Activities:		
Refunding of bonded debt		
Interest paid	(67)	
Lease purchase obligation principal payments	(24)	
Proceeds from issuance of bonds	3,646	
Proceeds from issuance of notes	500	
Capital contributions	66	
Acquisitions of fixed assets	(382)	
Loss on disposal of fixed assets		
Net Cash Provided by (Used for) Capital and Related Financing Activities	3,739	
Cash Flows from Investing Activities:		
Interest income		19
Net Cash Provided by (Used for) Investing Activities		19
Net Increase (Decrease) in Cash and Cash Equivalents	3,610	
Cash and Cash Equivalents - July 1, 1997		
Cash and Cash Equivalents - June 30, 1998	$ 3,610	
Noncash Investing, Capital and Financing Activities:		
New lease purchase obligations	$	
Fixed assets acquired through lease purchase/donation	$	

County Hospital	Health Maintenance Organization	Major Risk Medical Insurance	Regency Hills	Totals 1998	Totals 1997
31,910	(7,910)	(7)	(24)	23,188	13,517
3,235	26			4,380	2,641
	179			205	
(14,237)	(7,012)	1	52	(20,947)	8,110
(6)				(21)	(21)
(4,644)	1,563	8		(3,606)	(1,153)
98	3			103	(1,170)
1,471	2,085	(1)	75	3,684	(5,858)
392				396	222
4,160	4,247	(22)	(25)	8,142	3,817
6,565				6,565	5,954
28,944	(6,819)	(21)	78	22,089	26,059
4,981	8,684			13,665	15,572
(36,854)	(173)			(37,082)	(27,675)
(31,873)	8,511			(23,417)	(12,103)
					(137,842)
				(67)	(92)
(72)	(30)			(126)	(144)
				3,646	142,059
				500	
				66	840
(28,798)	(60)			(29,240)	(30,036)
(12)	(35)			(47)	
(28,882)	(125)			(25,268)	(25,215)
				19	19
				19	19
(31,811)	1,567	(21)	78	(26,577)	(11,240)
92,526	12,585	201	61	105,373	116,613
60,715	14,152	180	139	78,796	105,373
					80
					36

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

INTERNAL SERVICE FUNDS

SELF INSURANCE FUNDS

These Funds are established to account for administrative costs and for payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

- Employee Dental Insurance
- Employee Medical Insurance
- Long-Term Disability Insurance (Management Employees)
- Workers' Compensation Insurance:
  - County General
  - Fire Protection
- Automotive Liability Insurance
- Public (General) Liability Insurance
- State Unemployment Insurance
- Medical Liability Insurance
- Special District Property Insurance

COUNTY OF CONTRA COSTA

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1998

(With Comparative Totals for June 30, 1997)

(In Thousands)

	Employee Dental Insurance	Employee Medical Insurance	Long - Term Disability Insurance	Workers' Compensation Insurance County General
Assets:				
Cash and investments	$ 1,728	648	4,042	32,524
Accounts receivable and accrued revenue	11		31	716
Due from other funds		97		436
Total Assets	$ 1,739	745	4,073	33,676
Liabilities and Fund Equity				
Liabilities:				
Accounts payable and accrued liabilities	$ 472		371	36,866
Due to other funds	31	63	21	668
Total Liabilities	503	63	392	37,534
Fund Equity:				
Retained earnings (deficit)	1,236	682	3,681	(3,858)
Total Liabilities and Fund Equity	$ 1,739	745	4,073	33,676

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Totals 1998	1997
8,372	1,413	17,267	1,010	7,429	1,039	75,472	70,789
14		48	57	7		884	73
2	30	2,849	57	500		3,971	8,698
8,388	1,443	20,164	1,124	7,936	1,039	80,327	79,560
5,276	1,446	15,871	221	12,830		73,353	73,169
52	18	282	2	52	2	1,191	4,105
5,328	1,464	16,153	223	12,882	2	74,544	77,274
3,060	(21)	4,011	901	(4,946)	1,037	5,783	2,286
8,388	1,443	20,164	1,124	7,936	1,039	80,327	79,560

COUNTY OF CONTRA COSTA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	Employee Dental Insurance	Employee Medical Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Operating Revenues:				
Charges for services	$ 4,930	1,053	21	11,318
Operating Expenses:				
Salaries and employee benefits			286	
Services and supplies	375	625	90	1,696
Benefit and claim expense	4,446			14,087
Total Operating Expenses	4,821	625	376	15,783
Operating Income (Loss)	109	428	(355)	(4,465)
Nonoperating Revenues:				
Interest income	59		164	1,848
Net Income (Loss) Before Operating Transfers	168	428	(191)	(2,617)
Operating transfers in				25
Operating transfers out			(3)	
Net Income (Loss)	168	428	(194)	(2,592)
Retained Earnings (Deficit) at Beginning of Year	1,068	254	3,875	(1,266)
Retained Earnings (Deficit) at the End of the Year	$ 1,236	682	3,681	(3,858)

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Totals 1998	1997
636	356	5,797	624	1,700	25	26,460	26,112
						286	473
223	120	2,700	11	709	78	6,627	9,407
1,435	(18)	(811)	296	245	46	19,726	20,867
1,658	102	1,889	307	954	124	26,639	30,747
(1,022)	254	3,908	317	746	(99)	(179)	(4,635)
392		998	23	155	40	3,679	3,350
(630)	254	4,906	340	901	(59)	3,500	(1,285)
						25	
		(25)				(28)	(10)
(630)	254	4,881	340	901	(59)	3,497	(1,295)
3,690	(275)	(870)	561	(5,847)	1,096	2,286	3,581
3,060	(21)	4,011	901	(4,946)	1,037	5,783	2,286

COUNTY OF CONTRA COSTA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 1998

(With Comparative Totals for the Year Ended June 30, 1997)

(In Thousands)

	Employee Dental Insurance	Employee Medical Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Operating Income (Loss)	$ 109	428	(355)	(4,465)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Decrease (increase) in accounts receivable and accrued revenue	(11)	44	(31)	(715)
Decrease (increase) in amounts due from other funds	409	(81)		542
Increase (decrease) in accounts payable and accrued liabilities	4		9	4,729
Increase (decrease) in amounts due to other funds	1	(177)	(8)	106
Net Cash Provided by (Used for) Operating Activities	512	214	(385)	197
Cash Flows from Noncapital Financing Activities:				
Operating transfers in				25
Operating transfers out			(3)	
Net Cash Provided by (Used for) Noncapital Financing Activities			(3)	25
Cash Flows from Investing Activities:				
Interest income	59		164	1,848
Net Increase (Decrease) in Cash and Cash Equivalents	571	214	(224)	2,070
Cash and Cash Equivalents - July 1, 1997	1,157	434	4,266	30,454
Cash and Cash Equivalents - June 30, 1998	$ 1,728	648	4,042	32,524

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Totals 1998	1997
(1,022)	254	3,908	317	746	(99)	(179)	(4,635)
(14)		(48)	(29)	(7)		(811)	87
112	(2)	1,151	(57)	2,500	153	4,727	(7,747)
337	(241)	(4,531)		(123)		184	3,501
17	4	(2,761)		21	(117)	(2,914)	2,418
(570)	15	(2,281)	231	3,137	(63)	1,007	(6,376)
						25	
		(25)				(28)	(10)
		(25)				(3)	(10)
392		998	23	155	40	3,679	3,350
(178)	15	(1,308)	254	3,292	(23)	4,683	(3,036)
8,550	1,398	18,575	756	4,137	1,062	70,789	73,825
8,372	1,413	17,267	1,010	7,429	1,039	75,472	70,789

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FIDUCIARY FUNDS

AGENCY FUNDS

TAX LOSSES RESERVE

This Fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

UNAPPORTIONED TAXES

These Funds account for unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation and amounts held pending authority for apportionment.

OTHER AGENCIES

These Funds account for assets held by the County as an agent for individuals, private organizations and other governmental units. These Funds include payroll deductions clearing funds, deposits held by departments, collections clearing funds and flow through Funds for Federal and State projects.

TRUST FUNDS

PENSION TRUST FUND

This Fund, which is under the control of the Board of Retirement, accumulates contributions from the County, its employees and other participating employers, and earnings from the Fund's investments. Disbursements are made from the Fund for retirement allowances, disability and death benefits, and administrative expenses. This Fund includes all assets of the Employees' Retirement Association.

INVESTMENT TRUST FUND

This Fund is used by the County to account for the assets of legally separate entities who make directed investments through the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, trial courts and pass through funds for tax collections for cities. This Fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(With Comparative Totals for June 30, 1997)

(In Thousands)

	Tax Losses Reserve	Non-participating Taxes	Other Agencies*	Totals	
Assets:					
Cash and investments	$ 16,756		283,630	[illegible]	[illegible]
Accounts receivable and accrued revenue		6,372	14,869	[illegible]	[illegible]
Due from other funds	2,753	893	14,316	[illegible]	[illegible]
Taxes receivable		94,416		[illegible]	[illegible]
Advances to other funds			85	[illegible]	[illegible]
Total Assets	19,509	101,681	312,900	[illegible]	[illegible]
Liabilities:					
Warrants outstanding			22,986	[illegible]	[illegible]
Accounts payable and accrued liabilities		5,957	1,912	[illegible]	[illegible]
Due to other funds		36,721	45,088	[illegible]	[illegible]
Unapportioned taxes		59,003		[illegible]	[illegible]
Tax loss guarantees	19,509			[illegible]	[illegible]
Due to other agencies and districts			71,333	[illegible]	[illegible]
Deferred compensation			171,581	[illegible]	[illegible]
Total Liabilities	$ 19,509	101,681	312,900	[illegible]	[illegible]

* Includes Housing Authority Deferred Compensation Trust of $1,568,000 as of March 31, 1998

COUNTY OF CONTRA COSTA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 1998

(In Thousands)

	Balance June 30, 1997	Additions	Deductions	Balance June 30, 1998
Tax Losses Reserve:				
Assets:				
Cash and investments	$ 10,199	14,173	7,616	16,756
Accounts Receivable	30		30	
Due from other funds	6,925	2,753	6,925	2,753
Total Assets	$ 17,154	16,926	14,571	19,509
Liabilities:				
Due to other funds	$			
Tax loss guarantees	17,154	9,971	7,616	19,509
Total Liabilities	$ 17,154	9,971	7,616	19,509
Unapportioned Taxes:				
Assets:				
Accounts receivable and accrued revenue	$ 4,822	53,782	52,232	6,372
Due from other funds	5,893	39,638	44,638	893
Taxes receivable	107,516	919,051	932,151	94,416
Total Assets	$ 118,231	1,012,471	1,029,021	101,681
Liabilities:				
Accounts payable and accrued liabilities	$ 3,733	47,729	45,505	5,957
Due to other funds	52,875	79,491	95,645	36,721
Unapportioned taxes	61,623	1,602,946	1,605,566	59,003
Total Liabilities	$ 118,231	1,730,166	1,746,716	101,681

(continued)

COUNTY OF CONTRA COSTA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 1998

(In Thousands)

	Balance June 30, 1997	Additions	Deductions	Balance June 30, 1998
Other Agencies*:				
Assets:				
Cash and investments	$ 237,341	1,721,497	1,675,208	283,630
Accounts receivable and accrued revenue	15,286	14,995	15,412	14,869
Due from other funds	8,896	27,839	22,419	14,316
Advances to other funds	83	233	231	85
Total Assets	$ 261,606	1,764,564	1,713,270	312,900
Liabilities:				
Warrants outstanding	$ 23,390	771,385	771,789	22,986
Accounts payable and accrued liabilities	2,645	537,024	537,757	1,912
Due to other funds	33,431	58,610	46,953	45,088
Due to other agencies and districts	64,656	556,633	549,956	71,333
Deferred compensation*	137,484	34,097		171,581
Total Liabilities	$ 261,606	1,957,749	1,906,455	312,900

* Includes Housing Authority Deferred Compensation Trust of $1,568,000 as of March 31, 1998.

(continued)

COUNTY OF CONTRA COSTA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 1998

(In Thousands)

	Balance June 30, 1997	Additions	Deductions	Balance June 30, 1998
Totals-Agency Funds:				
Assets:				
Cash and investments	$ 247,540	1,735,670	1,682,824	300,386
Accounts receivable and accrued revenue	20,138	68,777	67,674	21,241
Due from other funds	21,714	70,230	73,982	17,962
Taxes receivable	107,516	919,051	932,151	94,416
Advances to other funds	83	233	231	85
Total Assets	$ 396,991	2,793,961	2,756,862	434,090
Liabilities:				
Warrants outstanding	$ 23,390	771,385	771,789	22,986
Accounts payable and accrued liabilities	6,378	584,753	583,262	7,869
Due to other funds	86,306	138,101	142,598	81,809
Unapportioned taxes	61,623	1,602,946	1,605,566	59,003
Tax loss guarantees	17,154	9,971	7,616	19,509
Due to other agencies and districts	64,656	556,633	549,956	71,333
Deferred compensation	137,484	34,097		171,581
Total Liabilities	$ 396,991	3,697,886	3,660,787	434,090

(concluded)

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF NET ASSETS - PENSION AND INVESTMENT TRUST FUNDS

JUNE 30, 1998*

(In Thousands)

	Pension Trust Fund	Investment Trust Fund	Total
Assets:			
Cash and investments	$ 2,504,638	622,971	3,127,609
Interest and other receivables	11,979	1,000	12,979
Due from other funds	1,988	45,649	47,637
Prepaid expenses/deposits	85		85
Fixed assets, at depreciated cost	158		158
Total Assets	$ 2,518,848	669,620	3,188,468
Liabilities:			
Secured lending	$ 144,452		144,452
Employer contributions unearned	9,875		9,875
Retirement allowance payables	6,114		6,114
Warrants outstanding		49,596	49,596
Accounts payable	1,838		1,838
Due to other funds		44,774	44,774
Investment trades	1,278		1,278
Real property deposits	102		102
Unclaimed contributions	496		496
Contributions refundable	179		179
Obligations under reverse repurchase agreement	5,844		5,844
Accrued vacations and other payables	47		47
Total Liabilities	170,225	94,370	264,595
Net Assets Held in Trust:			
Pension benefits	2,348,623		2,348,623
Individually directed investment accounts		575,250	575,250
Total Net Assets Held in Trust	$ 2,348,623	575,250	2,923,873

* Pension Trust Fund reported as of December 31, 1997.

See accompanying notes to general-purpose financial statements.

COUNTY OF CONTRA COSTA

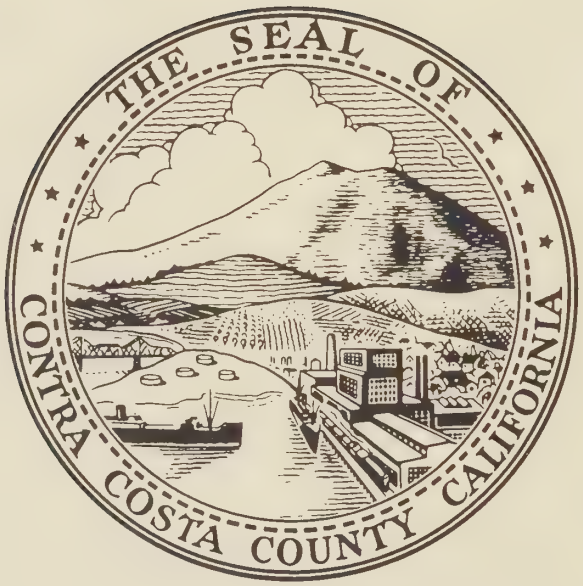
COMBINING STATEMENT OF CHANGES IN NET ASSETS - PENSION AND INVESTMENT TRUST FUNDS

YEAR ENDED JUNE 30, 1998*

(In Thousands)

	Pension Trust Fund	Investment Trust Fund	Total
Additions:			
Employer contributions	$ 36,688		36,688
Employee contributions	9,856		9,856
Contributions on pooled investments		4,002,915	4,002,915
Investment income	409,113	40,352	449,465
Total Additions	455,657	4,043,267	4,498,924
Deductions:			
Benefits paid	88,685		88,685
Refunds of contributions	1,015		1,015
Distribution from pooled investments		4,049,160	4,049,160
Adjustments/transfers	49		49
Administrative and other expenses	2,185		2,185
Prepayment discount	1,602		1,602
Total Deductions	93,536	4,049,160	4,142,696
Net Increase	362,121	(5,893)	356,228
Net Assets Held In Trust at Beginning of Year	1,985,880		1,985,880
Cumulative effect of the change in accounting for investments		577,731	577,731
Restatement of prior year	622		622
Net Assets Held In Trust at Beginning of Year, as Restated	1,986,502	577,731	2,564,233
Residual equity transfer in		3,412	3,412
Net Assets Held In Trust at End of Year	$ 2,348,623	575,250	2,923,873

* Pension Trust Fund reported for Year Ended December 31, 1997.
See accompanying notes to general-purpose financial statements.


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets of the County other than those accounted for in Enterprise, Internal Service and Pension Trust Funds.

COUNTY OF CONTRA COSTA

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE

JUNE 30, 1998*

(In Thousands)

General Fixed Assets:

Land	$	36,520
Buildings and improvements		318,209
Buildings and improvements-lease purchases		130,982
Equipment		77,945
Equipment-lease purchase		9,560
Total General Fixed Assets	$	573,216

Investments in General Fixed Assets from:

General obligation bonds	$	8,433
Federal grants		8,653
State grants		69,244
General fund		313,343
Special revenue funds		172,948
Other government agencies		277
Gifts		318
Total Investment in General Fixed Assets	$	573,216

* Includes Housing Authority as of March 31, 1998.

COUNTY OF CONTRA COSTA

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

JUNE 30, 1998*

(In Thousands)

Function and Activity	Total	Land	Buildings & Improve - Ments	Building & Improvements Lease Purchase	Equip - ment	Equip- ment Lease Purchase
General Government:						
Legislative & administrative	$ 820				797	23
Finance	1,379		9		1,126	244
Counsel	91				91	
Personnel	775				618	157
Elections	1,676				1,676	
Communications	2,965		3		2,813	149
Property management	14,211		84		12,154	1,973
Plant acquisition	344,076	30,802	184,298	128,081	636	259
Promotion	3				3	
Other general	4,964				4,434	530
Total General Government	370,960	30,802	184,394	128,081	24,348	3,335
Public Protection:						
Judicial	4,761		294		4,134	333
Police protection	12,063	7	868		6,478	4,710
Detention & correction	38,522	1,492	30,988	2,582	3,070	390
Fire protection	34,073	2,026	12,068		19,976	3
Flood control	1,101	177	24		900	
Protective inspection	1,248				1,248	
Other protection	2,715	386	1,699		610	20
Total Public Protection	94,483	4,088	45,941	2,582	36,416	5,456
Health and Sanitation:						
Health	2,703		6		2,358	339
Hospital care	693	141			552	
Sanitation	1,684		1,598		86	
Total Health and Sanitation	5,080	141	1,604		2,996	339
Public Assistance:						
Assistance administration	2,575				2,410	165
Veterans services	12				12	
Other assistance	74,707	360	73,420		927	
Total Public Assistance	77,294	360	73,420		3,349	165
Education:						
Library services	7,398	349	4,927	319	1,803	
Agricultural education	14				14	
Total Education	7,412	349	4,927	319	1,817	
Public Ways and Facilities	13,318	141	3,925		8,987	265
Recreation and Cultural Services	4,669	639	3,998		32	
Total General Fixed Assets	$ 573,216	36,520	318,209	130,982	77,945	9,560

* Includes Housing Authority as of March 31, 1998.

COUNTY OF CONTRA COSTA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

YEAR ENDED JUNE 30, 1998*

(In Thousands)

Function and Activity	Balance July 1, 1997	Additions	Deletions	Transfers	Balance June 30, 1998
General Government:					
Legislative & administrative	$ 1,059	57	299	3	820
Finance	1,667	225	451	(62)	1,379
Counsel	172	60	144	3	91
Personnel	836	202	263		775
Elections	1,572	114	10		1,676
Communications	3,081	418	568	34	2,965
Property management	12,834	3,333	1,913	(43)	14,211
Plant acquisition	336,727	7,455	106		344,076
Promotion	5		2		3
Other general	4,222	909	170	3	4,964
Total General Government	362,175	12,773	3,926	(62)	370,960
Public Protection:					
Judicial	7,256	2,553	5,048		4,761
Police protection	8,119	4,677	733		12,063
Detention & correction	39,227	173	879	1	38,522
Fire protection	38,523	1,654	6,104		34,073
Flood control	1,156		55		1,101
Protective inspection	1,524	54	337	7	1,248
Other protection	2,480	649	433	19	2,715
Total Public Protection	98,285	9,760	13,589	27	94,483
Health and Sanitation:					
Health	3,298	507	1,102		2,703
Hospital care	791	369	483	16	693
Sanitation	1,575	117	8		1,684
Total Health and Sanitation	5,664	993	1,593	16	5,080
Public Assistance:					
Assistance administration	3,466	851	1,750	8	2,575
Veterans services	26		11	(3)	12
Other assistance	71,992	3,386	667	(4)	74,707
Total Public Assistance	75,484	4,237	2,428	1	77,294
Education:					
Library services	8,177	116	895		7,398
Agricultural education	16	1	3		14
Total Education	8,193	117	898		7,412
Public Ways and Facilities	13,568	1,647	1,914	17	13,318
Recreation and Cultural Services	4,452	216		1	4,669
Total General Fixed Assets	$ 567,821	29,743	24,348		573,216

* Housing Authority as of March 31, 1998.

STATISTICAL SECTION

COUNTY OF CONTRA COSTA

GENERAL COUNTY REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year Ended June 30,	Taxes	Licenses, Permits & Franchise Fees	Fines, Forfeits & Penalties	Investment Income	Inter-Governmental	Charges for Services	Other	Total
1989	$ 186,307	11,036	7,898	16,209	255,399	66,858	4,688	548,395
1990	203,116	10,831	9,115	25,609	299,724	81,983	11,821	642,199
1991	220,247	10,341	9,757	24,875	320,889	88,920	10,879	685,908
1992	232,044	9,464	7,179	24,592	360,239	95,658	24,884	754,060
1993	226,565	14,445	6,728	27,280	367,112	92,866	7,693	742,689
1994	173,384	12,529	12,654	27,953	448,668	102,545	14,750	792,483
1995	167,185	13,332	21,306	30,600	478,350	140,354	14,923	866,050
1996	179,431	14,569	20,477	33,903	470,211	130,087	21,360	870,038
1997	184,805	14,265	17,343	35,457	469,257	127,208	25,585	873,920
1998	179,331	14,194	16,249	42,168	471,208	130,468	19,844	873,462

NOTE: Includes all governmental fund types.

COUNTY OF CONTRA COSTA

GENERAL COUNTY EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year Ended June 30,	General Government	Public Protection	Health & Sanitation	Public Assistance	Education	Public Ways & Facilities	Debt Service & Other	Total
1989	$ 56,470	177,481	75,772	171,975	9,085	20,098	64,214	575,095
1990	65,581	197,014	92,342	201,900	9,677	24,081	50,942	641,537
1991	74,325	218,079	100,750	224,859	11,235	36,515	56,044	721,807
1992	71,562	229,403	134,022	242,274	11,916	50,273	20,879	760,329
1993	66,211	226,248	136,933	239,151	11,342	42,542	27,068	749,495
1994	66,008	229,263	154,556	275,713	9,260	34,743	40,817	810,360
1995	69,828	270,099	157,787	293,294	9,394	35,336	80,156	915,894
1996	84,137	257,933	138,243	286,457	12,878	39,536	72,515	891,699
1997	79,195	272,415	132,432	272,163	11,439	32,566	65,904	866,114
1998	85,786	266,707	147,867	268,633	11,774	33,071	76,088	889,926

NOTE: Includes all governmental fund types. Health and Sanitation includes operating transfers to the County Hospital and HMO Enterprise Funds ($13,655,000 for 1997-98).

COUNTY OF CONTRA COSTA

GENERAL COUNTY REVENUES BY SOURCE - CONSTANT DOLLARS (1)(2)

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year Ended June 30,	Taxes	Licenses, Permits & Franchise Fees	Fines, Forfeits & Penalties	Investment Income	Inter-Governmental	Charges For Services	Other	Total
1989	$ 150,612	8,922	6,385	13,103	206,466	54,049	3,790	443,327
1990	157,699	8,409	7,077	19,883	232,705	63,651	9,178	498,602
1991	162,905	7,649	7,217	18,399	237,344	65,769	8,047	507,330
1992	165,274	6,741	5,113	17,516	256,580	68,132	17,724	537,080
1993	156,478	9,977	4,647	18,841	253,548	64,138	5,313	512,942
1994	117,716	8,506	8,591	18,978	304,615	69,621	10,014	538,041
1995	111,290	8,875	14,183	20,369	318,422	93,429	9,934	576,502
1996	117,301	9,524	13,387	22,164	307,394	85,043	13,964	568,777
1997	117,287	9,053	11,007	22,503	297,815	80,733	16,238	554,636
1998	110,087	8,713	9,975	25,886	289,262	80,091	12,182	536,196

(1) Includes all governmental fund types.

(2) The information for the years 1989 through 1998 has been adjusted using the average Consumer Price Index - Urban for each year with a base point of December, 1983, equal to 100.

COUNTY OF CONTRA COSTA

GENERAL COUNTY EXPENDITURES BY FUNCTION - CONSTANT DOLLARS (1) (2)

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year Ended June 30,	General Government	Public Protection	Health & Sanitation	Public Assistance	Education	Public Ways & Facilities	Debt Service & Other	Total
1989	$ 45,651	143,477	61,255	139,026	7,344	16,247	51,911	464,911
1990	50,917	152,961	71,694	156,755	7,513	18,696	39,551	498,087
1991	54,974	161,301	74,519	166,316	8,310	27,008	41,453	533,881
1992	50,970	163,392	95,457	172,560	8,487	35,807	14,871	541,544
1993	45,729	156,259	94,574	165,171	7,833	29,382	18,695	517,643
1994	44,815	155,654	104,933	187,191	6,287	23,588	27,712	550,180
1995	46,482	179,796	105,034	195,236	6,253	23,522	53,357	609,680
1996	55,003	168,620	90,375	187,268	8,419	25,846	47,406	582,937
1997	50,261	172,889	84,048	172,729	7,260	20,668	41,826	549,681
1998	52,662	163,724	90,772	164,907	7,228	20,301	46,708	546,302

(1) Includes all governmental fund types. Health and Sanitation includes operating transfers to the County Hospital and HMO Enterprise Funds in constant dollars ($8,933,000 for 1997-98).

(2) The information for the years 1989 through 1998 has been adjusted using the average Consumer Price Index - Urban for each year with a base point of December, 1983, equal to 100.

COUNTY OF CONTRA COSTA

ASSESSED VALUE OF TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Assessed Value				Assessed Value of Taxable Property	Net Increase	
	Real Property	Personal Property	Total	Exemptions		Amount	Percentage
1989	$ 42,757,325	$ 1,891,274	$ 44,648,599	$ 545,435	$ 44,103,164	$ 4,019,673	10.03 %
1990	47,310,353	2,020,426	49,330,779	688,541	48,642,238	4,539,074	10.29
1991	52,665,650	2,218,687	54,884,337	768,708	54,115,629	5,473,391	11.25
1992	56,863,974	2,378,515	59,242,489	820,302	58,422,187	4,306,558	7.96
1993	59,800,740	2,501,057	62,301,797	908,476	61,393,321	2,971,134	5.09
1994	61,824,575	2,685,105	64,509,680	1,081,984	63,427,696	2,034,375	3.31
1995	63,992,943	2,406,789	66,399,732	1,105,367	65,294,365	1,866,669	2.94
1996	65,949,619	2,417,931	68,367,550	1,221,088	67,146,462	1,852,097	2.84
1997	67,846,683	2,657,824	70,504,507	1,262,407	69,242,100	2,095,638	3.12
1998	69,194,267	2,513,679	71,707,946	1,393,145	70,314,801	1,072,701	1.55

NOTE. (1) Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased: a) to reflect annual inflation up to 2 percent; b) to reflect current market value at time of ownership change and c) to reflect market value for new construction.

COUNTY OF CONTRA COSTA

GENERAL TAXES LEVIED AND COLLECTED

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Taxes Levied (1)	General Taxes Collected (2)
1989	$ 441,031,640	441,031,640
1990	486,422,380	486,422,380
1991	541,156,290	541,156,290
1992	584,221,870	584,221,870
1993	613,933,210	613,933,210
1994	634,276,960	634,276,960
1995	652,943,650	652,943,650
1996	671,464,620	671,464,620
1997	692,421,000	692,421,000
1998	703,148,010	703,148,010

NOTES: (1) General taxes are calculated at 1percent of total assessed value less local exemptions.

(2) General County taxes collected are the same as the amounts levied, because the County follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the County and other taxing agencies regardless of whether they are collected in the current year or not. A tax losses reserve fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

COUNTY OF CONTRA COSTA

SPECIAL ASSESSMENTS LEVIED AND COLLECTED

LAST TEN FISCAL YEARS (1)

Fiscal Year Ended June 30,	Special Assessments Levied (2)	Special Assessments Collected (3)
1995	$ 4,809,648	4,809,648
1996	3,693,552	3,693,552
1997	3,232,099	3,232,099
1998	2,946,192	2,946,192

NOTES: (1) Data for this schedule are provided for years in which special assessment debt with government commitment has been reported separately in the CAFR. Data is not available for prior years.

(2) Special assessments are amounts levied to pay special assessment debt with government commitment.

(3) Special assessments collected are the same as the amounts levied, because the County follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the County and other taxing agencies regardless of whether they are collected in the current year or not. A tax losses reserve fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

COUNTY OF CONTRA COSTA

PROPERTY TAX RATES (1)

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	County-wide Rate	County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Total
1989	1.0000	.0020	.0089	.0390	.0098	.0181	1.0778
1990	1.0000	.0018	.0099	.0381	.0110	.0181	1.0789
1991	1.0000	.0013	.0049	.0296	.0153	.0170	1.0681
1992	1.0000	.0012	.0028	.0292	.0193	.0155	1.0680
1993	1.0000	.0011	.0071	.0345	.0153	.0192	1.0772
1994	1.0000	.0011	.0068	.0321	.0190	.0143	1.0733
1995	1.0000	.0010	.0071	.0314	.0206	.0147	1.0748
1996	1.0000	.0010	.0068	.0338	.0223	.0153	1.0792
1997	1.0000	.0010	.0064	.0309	.0263	.0148	1.0794
1998	1.0000	.0009	.0063	.0304	.0297	.0142	1.0815

NOTE: (1) In June, 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a County-wide rate is levied with the proceeds distributed to all agencies according to formulas specified by the State legislature. The County-wide rate is 1 percent of full cash value. The rates shown above are percentages of assessed valuation.

COUNTY OF CONTRA COSTA

PROPERTY TAXES

DIRECT AND ALL OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year Ended June 30,	County	County Special Districts	Local Special Districts	Schools	Cities	Redevelopment Agencies	Totals
1989	$ 128,753	50,651	101,420	165,059	93,019	35,221	574,123
1990	143,472	55,172	110,779	184,825	103,447	39,404	637,099
1991	155,101	63,143	117,025	205,761	112,749	48,107	701,886
1992	164,649	67,125	125,264	227,839	118,584	53,626	757,087
1993	155,713	65,974	134,037	278,128	125,246	56,494	815,592
1994	101,541	75,565	143,162	335,343	127,425	58,774	841,810
1995	97,074	75,845	147,215	364,439	132,043	58,766	875,382
1996	100,025	78,752	157,323	374,506	136,030	59,137	905,773
1997	102,991	81,617	157,386	383,348	137,713	61,122	924,177
1998	103,519	84,097	169,578	390,822	134,065	62,598	944,679

NOTE: This schedule shows the property tax levies by major group of taxing agencies.

COUNTY OF CONTRA COSTA

PROPERTY TAX LEVIES AND DELINQUENCIES

Fiscal Year Ended June 30,	Total Current Year Tax Levy	Portion of Current Levy Delinquent at June 30	Percentage of Current Levy Delinquent at June 30	Total Delinquent Taxes at June 30 for all Years	Tax Losses Reserve Fund at June 30	Reserve as a Percentage of Delinquent Taxes
1969	$ 152,375,816	$ 2,405,830	1.58 %	$ 4,427,702	$ 3,425,401	77 %
1970	168,953,366	3,694,654	2.19	6,255,502	3,802,652	61
1971	201,084,408	3,666,637	1.82	7,277,849	4,310,968	59
1972	223,579,827	4,058,140	1.82	8,174,270	4,965,476	61
1973	235,709,379	3,896,245	1.65	8,721,833	5,645,668	65
1974	239,381,720	3,749,301	1.57	8,820,144	6,692,028	76
1975	261,860,435	5,283,952	2.02	10,876,984	7,515,195	69
1976	290,128,126	5,120,237	1.76	11,678,432	8,612,344	74
1977	331,632,809	4,728,220	1.43	11,167,061	10,073,672	90
1978	373,950,185	5,943,840	1.59	12,270,176	11,614,986	95
1979	196,482,131	3,501,345	1.78	9,313,032	10,132,029	109
1980	202,823,519	4,911,417	2.42	10,040,343	10,206,725	102
1981	237,630,961	7,195,889	3.03	12,244,759	7,213,929	59
1982	264,897,190	10,557,491	3.99	17,041,514	8,700,583	51
1983	294,757,661	10,281,578	3.49	19,398,576	11,158,615	58
1984	319,869,578	9,216,399	2.88	18,963,037	14,330,673	76
1985	356,956,194	10,646,452	2.98	19,856,715	18,166,548	91
1986	403,053,585	11,865,967	2.94	23,885,971	22,766,159	95
1987	436,570,280	12,330,764	2.82	23,465,796	17,393,902	74
1988	487,158,795	13,955,266	2.86	25,072,647	18,430,198	74
1989	535,212,918	13,387,564	2.50	24,460,470	20,125,551	82
1990	593,937,412	14,746,710	2.48	24,942,747	21,797,766	87
1991	669,071,124	19,762,687	2.95	31,374,327	24,093,615	77
1992	714,963,082	24,787,991	3.47	41,780,835	26,558,333	64
1993	760,559,294	24,239,204	3.19	46,553,277	29,042,152	62
1994	794,435,830	20,652,106	2.60	43,996,595	31,225,565	71
1995	823,495,651	20,640,379	2.51	43,587,741	24,709,211	57
1996	854,519,586	18,296,237	2.14	41,993,380	18,670,811	44
1997	869,580,974	18,057,023	2.08	42,022,344	17,154,539	41
1998	892,581,453	15,547,736	1.74	37,200,417	19,508,732	52

COUNTY OF CONTRA COSTA

RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population	Assessed Value of Taxable Property (000's)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1989	775,478	$ 44,103,164	$ 8,185,000	$ 808,754	$ 7,376,246	0.017	$ 9.51
1990	797,281	48,642,237	7,740,000	2,170,188	5,569,812	0.011	6.99
1991	819,293	54,155,630	7,265,000	1,878,000	5,387,000	0.010	6.58
1992	836,871	58,422,185	34,720,000	27,000	34,693,000	0.059	41.46
1993	855,109	61,393,320	37,650,000	39,997	37,610,003	0.061	43.98
1994	868,600	63,427,697	374,392,000	1,233,000	373,159,000	0.588	429.61
1995	883,390	65,294,365	373,161,000	2,616,000	370,545,000	0.567	419.46
1996	870,724	67,146,462	366,517,000	2,371,000	364,146,000	0.542	418.21
1997	879,206	69,242,100	360,830,000	2,513,000	358,317,000	0.517	407.55
1998	900,688	70,314,801	352,965,000	2,766,000	350,199,000	0.498	388.81

NOTE: (1) Does not include Financing Agencies debt, Redevelopment Agency debt or special assessment debt with government commitment.

COUNTY OF CONTRA COSTA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	New Dwelling Units (1)		Construction Valuation (000's)		Bank Deposits (2) (000's)
	Single Family	Multiple Family	Residential	Non-Residential	
1988	5,883	2,141	$ 785,925	$ 214,201	$ 6,490,318
1989	5,504	2,219	863,313	264,020	8,049,194
1990	3,132	1,149	560,193	252,443	8,945,509
1991	2,705	1,275	488,939	196,165	8,907,543
1992	3,279	614	638,714	207,099	9,102,176
1993	3,026	451	590,000	183,156	11,462,467
1994	3,682	230	583,734	164,684	9,425,977
1995	3,137	618	619,685	190,443	9,769,220
1996	3,080	450	584,108	170,069	10,510,172
1997	3,105	381	582,793	180,794	11,160,868

Source: (1) "California Construction Trends", Security Pacific National Bank: 1987-1988 Economic Sciences Corp: 1989-1997.

(2) "Commercial Bank Deposits", Federal Deposit Insurance Corporation

Assessed Value of Taxable Property (000's)

Residential	Commercial	Industrial	Land	Total
$ 24,470,268	$ 5,936,133	$ 8,947,745	$ 729,345	$ 40,083,491
27,211,978	6,041,912	10,026,913	822,362	44,103,165
30,469,308	6,453,312	10,760,173	959,444	48,642,237
34,470,712	7,051,527	11,436,450	1,156,941	54,115,630
37,770,532	7,656,657	11,889,885	1,105,112	58,422,186
40,184,960	7,655,329	12,413,013	1,140,017	61,393,319
42,295,193	7,602,074	12,357,698	1,172,732	63,427,697
43,971,060	7,556,205	12,591,768	1,175,332	65,294,365
45,312,034	7,448,151	13,281,211	1,105,065	67,146,461
47,836,713	9,456,047	11,924,385	1,097,656	70,314,801

COUNTY OF CONTRA COSTA

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES AND OTHER USES (2)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service	Total General Expenditures (1) And Other Uses (000's)	Ratio Of Debt Service To Total General Expenditures
1989	$ 455,000	$ 694,000	$ 1,149,000	$ 575,095	.0020
1990	445,000	663,000	1,108,000	641,537	.0017
1991	475,000	628,000	1,103,000	721,805	.0015
1992	300,000	502,000	802,000	760,329	.0011
1993	320,000	383,000	703,000	749,495	.0009
1994	614,000	6,021,000	6,635,000	810,360	.0082
1995	1,278,000	22,338,000	23,616,000	915,893	.0258
1996	4,000,000	22,435,000	26,435,000	891,699	.0296
1997	5,703,000	22,242,000	27,945,000	866,114	.0323
1998	7,475,000	21,952,000	29,427,000	889,926	.0331

NOTES: (1) Includes all governmental fund types.

(2) Does not include Financing Agencies, Redevelopment Agency and assessment district debt.

COUNTY OF CONTRA COSTA

COMPUTATION OF LEGAL DEBT MARGIN

YEAR ENDED JUNE 30, 1998

(In Thousands)

Assessed Value of Taxable Property	$	70,314,801
Debt Limit Five Percent of Assessed Value (1)	$	3,515,740
Amount of Debt Applicable to Debt Limit (2)		
Total Bonded Debt		352,965
Assets in Debt Service Funds		6,443
Total Amount of Debt Applicable to Debt Limit		346,522
Legal Debt Margin	$	3,169,218

NOTES: (1) Section 29909 of the California Government Code limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the County.

(2) Does not include Financing Agencies and assessment district debt.

COUNTY OF CONTRA COSTA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

1997 - 98 Assessed Value of Taxable Property	$	70,314,800,892
Less: Redevelopment Increments		5,687,404,922
Adjusted Assessed Valuation	$	64,627,395,970
Population		900,688

	Debt Applicable April 1, 1998 (1)	
	Percentage	Amount
Contra Costa County General Fund Obligations	100.000	$ 273,887,000
Contra Costa County Pension Obligations	100.000	328,610,000
Contra Costa County Board of Education Cert. of Participation	100.000	3,835,000
Contra Costa County Mosquito Abatement Cert. of Part.	100.000	1,885,000
Bay Area Rapid Transit District	31.479	26,694,192
Alameda-Contra Costa Transit District Cert. of Participation	11.983	2,909,316
East Bay Municipal Utility District and Special District No. 1	48.743 & 5.893	6,755,545
Acalanes and Liberty Union High School Districts	100.000	87,949,809
Martinez Unified School District	100.000	42,235,883
Pittsburg Unified School District	100.000	15,000,000
Lafayette School District	100.000	27,300,000
San Ramon Valley Unified School District & Educ. Facility Corp	100.000	77,595,000
Other School Districts' Overlapping Tax and Assessment Debt	100.000	44,034,699
Antioch Unified School District Certificates of Participation	100.000	15,662,774
Other School Building Corporations and Cert. of Participation	100.000	49,309,604
Cities' Overlapping Tax and Assessment Debt	100.000	7,265,000
City of Concord General Fund Obligations	100.000	30,387,559
City of Richmond General Fund Obligations	100.000	28,840,958
City of Antioch General Fund Obligations	100.000	17,464,092
City of Pleasant Hill General Fund Obligations	100.000	13,780,000
City of San Ramon General Fund Obligations	100.000	23,845,200
Other Cities' General Fund Obligations	100.000	25,335,000
East Bay Regional Park District	45.348	68,414,260
Hospital Districts and Authorities	100.000	8,320,000
Sanitation and Sanitary Districts	100.000	610,000
San Ramon Valley Fire Protection District Cert. of Participation	100.000	11,515,000
Other Special Districts	100.000	3,220,000
Community Facilities District	100.000	170,520,000
1915 Act Assessment Bonds (Estimate)	100.000	337,716,846
TOTAL GROSS DIRECT AND OVERLAPPING DEBT		1,750,897,737
Less: San Ramon Unified School Dist. Certificates of Participation (Self-supporting from GIC from Bayerische Landisbank)		14,850,000
East Bay Municipal Utility District and Special District No. 1 (100% self-supporting)		6,755,545
City of Concord lease bonds (100% self-supporting)		1,605,000
TOTAL NET DIRECT AND OVERLAPPING DEBT		$ 1,727,687,192

	Ratio to Full Cash Value (%)	Per Capita
Direct Debt (Includes County Lease Revenue Obligations)	0.93	$ 669
Total Gross Direct and Overlapping Debt	2.71	1,944
Total Net Direct and Overlapping Debt	2.67	1,918

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

COUNTY OF CONTRA COSTA

TEN PRINCIPAL TAXPAYERS

YEAR ENDED JUNE 30, 1998

Taxpayer	Type of Business	1997 - 98 Secured Assessed Valuation	Percent Of Total Secured Assessed Valuation
Chevron USA	Petroleum Refining	$ 2,165,223,570	3.08 %
Pacific Gas & Electric	Utility	1,282,135,107	1.82
Shell Oil Company	Petroleum Refining	1,281,115,656	1.82
Pacific Bell	Utility	955,758,231	1.36
Tosco Corp	Petroleum Refining	564,335,468	0.80
Unocal	Petroleum Refining	476,509,910	0.68
USS Posco	Steel Production	376,711,801	0.54
Bank of America	Banking	159,732,495	0.23
GWF Power Systems	Utility	150,020,432	0.21
Taubman Company	Shopping Malls	145,132,898	0.21
		$ 7,556,675,568	10.75 %

COUNTY OF CONTRA COSTA

DEMOGRAPHICS - POPULATION

Jurisdiction	Date of Incor - poration	1950	1960	1970	Special Census 1975	1980	1990	1998
Antioch	2/2/1872	11,051	17,305	28,060	33,215	43,559	61,379	79,289
Brentwood	1/1/1948	1,729	2,186	2,649	3,662	4,434	7,515	16,997
Clayton	3/18/1964			1,385	1,790	4,325	7,219	10,596
Concord	2/2/1905	6,953	36,208	85,164	94,673	103,251	110,640	113,432
Danville	7/1/1982						28,675	39,168
El Cerrito	8/20/1917	18,011	25,437	25,190	22,950	22,731	22,684	23,596
Hercules	12/15/1900	343	310	252	121	5,963	16,554	19,058
Lafayette	7/22/1968			20,484	19,628	20,879	24,482	23,975
Martinez	4/1/1876	8,268	9,604	16,506	18,702	22,582	33,510	36,120
Moraga	11/13/1974				14,418	15,014	14,780	16,539
Orinda	7/1/1985						16,704	17,168
Pinole	6/25/1903	1,147	6,064	13,266	15,337	14,253	17,147	18,434
Pittsburg	6/22/1903	12,763	19,062	20,651	24,347	33,034	47,190	52,169
Pleasant Hill	11/14/1961			24,610	25,398	25,124	31,115	32,524
Richmond	8/7/1905	99,545	71,584	79,043	70,126	74,676	83,718	92,792
San Pablo	4/26/1948	14,476	19,687	21,461	19,392	19,750	24,709	26,424
San Ramon	7/1/1983						34,170	43,509
Walnut Creek	10/19/1914	2,420	9,903	39,844	46,034	53,643	60,542	63,218
Total Incorporated		176,706	217,350	378,565	409,793	463,218	642,733	725,008
Unincorporated		122,278	191,680	177,240	173,036	194,034	154,548	175,680
TOTAL COUNTY		298,984	409,030	555,805	582,829	657,252	797,281	900,688

Source: 1950-1990 U.S. Census; 1992-1998 California State Department of Finance.

COUNTY OF CONTRA COSTA

MISCELLANEOUS STATISTICS

GEOGRAPHICAL LOCATION: Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the West, by Suisun Bay and the Sacramento and San Joaquin Rivers on the North, by the delta country of San Joaquin County on the East and by Alameda County on the South.

ALTITUDE: Sea Level to 3,849 feet

AREA OF COUNTY: 732.6 square miles of land and 73.3 square miles of water.

COUNTY SEAT: Martinez, California

FORM OF GOVERNMENT: General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1849.

	MARCH 1996 PRIMARY ELECTION	NOVEMBER 1996 GENERAL ELECTION	JUNE 1998 PRIMARY ELECTION
REGISTERED VOTERS	510,604	555,734	492,730
NUMBER VOTING	216,359	356,383	222,717
PERCENT VOTING	42.37	64.13	45.20

ROADS: 741.03 miles of County maintained streets and roads in the unincorporated areas.

COUNTY EMPLOYEES AT JUNE 30:

YEAR	NUMBER OF EMPLOYEES	PERCENT OF INCREASE (DECREASE)	NUMBER OF EMPLOYEES PER THOUSAND OF POPULATION
1986	5,968	3.1	8.2
1987	6,111	2.4	8.3
1988	6,317	3.4	8.4
1989	6,463	2.3	8.3
1990	6,718	3.9	8.4
1991	7,008	4.3	8.6
1992	7,080	1.0	8.5
1993	6,689	(5.5)	7.8
1994	6,658	(0.5)	7.7
1995	6,822	2.5	7.7
1996	6,856	0.5	7.9
1997	6,974	1.7	7.9
1998	7,106	1.9	7.9